

U. S. Department of Justice

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Declassified Case: NW#
65299 Date: 05-15-2024

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FEDERAL BUREAU

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INVESTIGATION

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NATIONAL ARCHIVES

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65
1168

SECTION 4
SERIALS 87X-120

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

SEP 22 1939

~~CONFIDENTIAL~~

TELETYPE

FBI NEW YORK CITY

DIRECTOR

WILLIAM RHODES DAVIS ESPIONAGE. THE FOLLOWING INCOMING RADIOGRAMS RECEIVED BY SUBJECT AND HIS ASSOCIATES OVER THE FACILITIES OF ROA COMMUNICATIONS INC.

" SEPTEMBER FOURTEEN, NINETEEN THIRTY NINE, THREE FORTY PM.

MF DGG BERLIN PRK 4218

46 14 1932

LC DAVCOM NEW YORK

THREE FELLOWS FIRED NOW INVESTIGATION STARTS TODAY ALL DOCUMENTS BARON GETS ROME AVOID STRICTLY TO GIVE CABLES EXCEPT CHRYSTEMUM LANGUAGE OR OVER PETER MEXUSA STOP STAY DUTCHY TOMORROW IS IT POSSIBLE GET OFFICIAL INVITATION VIA WALTER DUNG FROM NUMBER ONE AT ONCE.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

Mr. Tolson.....
Mr. Nathan.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Ladd.....
Mr. Coffey.....
Mr. Egan.....
Mr. Glavin.....
Mr. Crowl.....
Mr. Harbo.....
Mr. Lester.....
Mr. Hendon.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Sears.....
Mr. Quinn Tamm.....
Mr. Tracy.....
Miss Gandy.....

CLASSIFIED BY Sp2 ex 171
DECLASSIFY ON: 25X 3
4-29-98

GRAF"
DECLASSIFIED BY SPICK/ET
ON 6-5-00

"SEPTEMBER FOURTEEN, THREE TWENTY NINE PM.

DGGHD BERLIN PRK 4195

56 14 1923

NLT DAVCOM NEW YORK

459 49B ALREADY MAILED NUMBER ONE DATED APRIL 14 TO NATIONAL CITY BANK OF NEW YORK NUMBER TWO MAY FIFTH NUMBER THREE JUNE THIRTIETH BOTH CHEMICAL BANK AND TRUST CO. ALL ISSUED BY VEREINSBANK HAMBURG STOP HAGEMANN INTENDS SHIP BOTH PIECES ITEM ONE MIDDLE OCTOBER STOP PROSPECTS SORENSON PAYMENT IMPROVED GOING KOPENHAGEN MONDAY.

SEP 23 1939

U. S. DEPARTMENT OF JUSTICE

Classified by 2909 MS/df
Exempt from GDS Category 2
Date of Declassification Indefinite 4-12-78
~~CONFIDENTIAL~~

KRING"

PAGE TWO

" SEPTEMBER (THIRTEEN), NINE TWENTY SEVEN AM

DGGWR BERLIN PR 2388 68/64 13 1211

~~CONFIDENTIAL~~

LC DAVCOM NEW YORK

SITUATION HERE ASKS FOR YOUR ACCEPTING BORDEAUX OFFERED POSITION GRAF ON
THE WAY BECOMING MEYER REPRESENTATIVE TO OBERIN STOP TELL ME MEDIZIN SUM
NECESSARY TO STABILIZE APOTHEKE FINANCIAL SITUATION TO FURTHER OPERATIONEN
INSIST ON TROMBOSE STOP TELL LUFTQUANTITY POSSIBLE DELIVER AT ONCE WEIZEN-
PORTS AGAINST MEDIZIN STOP SPEND INDEFINITE DISPOSE NOW LONGTIME BASIS STOP
WOULD LIKE GETTING LETTER FROM DUNG FOR BEYER

GRAF"

(u) ~~CONFIDENTIAL~~

" SEPTEMBER ELEVEN, NINE EIGHTEEN PM

DGG BJ BERLIN ZEHLENDORF PR 983

108 12 0005 1/50

DAVCOM NEW YORK

THANKS CABLE 10 STOP NOW ANSWER CABLE 5 MUTTER MEXICO MEYER READY TO
FOLLOW ALL PROMISES FROM FRUECHTEJOBS STOP FURTHER FRUECHTE DELIVERIES
HERE INTENDED OVER BARON ACCORDING TO EMIL PROPOSAL VIA PETER EMIL THEN
DELIVERS CIF MEYER FOB STOP RESULTS OF DOSIERUNG DELIVERIES ON SUE DAMERO
AT LEAST 6000000 PUDER ALMOST ONLY FOR DISSOLUTION OF SUBACCOUNT AND
LUFT STOP FURTHER DELIVERIES WILL BE USED FOR SAME PURPOSE STOP MEYER
READY TO SELL ERICH MASS TAMPICO BUT ONLY AGAINST NEW LUFT STOP KIRCHE
GETS NOW BIDON PEDERSEN KNUTSEN RACINE STOP NECESSARY BARON TO COME
26 SEPT ROME TO MEET ARZT GRAF STOP ARZT READY TO BE BOSS HERE

~~CONFIDENTIAL~~

GRAF"

PAGE THREE

" SEPTEMBER EIGHTH, SEVEN NAUGHT EIGHT PM

DGG DU BERLIN 4063 18 8 2010

DAVCOM NEW YORK

ALL WELL NOW ESPE IN EAST SUCCESS KLEIE NEXT DAYS MORE SEARCHING FOR
BEST WEIZENCOUNTRY

HERZIE "

" SEPTEMBER SEVENTH, TEN TWENTY ONE PM

XXXXXX DGG/SE HAMBURG 2936 29 7 1824

LC DAVCOM NY

OLJAREN HAVE PROTESTED YOURS BEHALF REGARDING CANCELLATION NEVERTHELESS
YOU MUST ALSO PROTEST THROUGH WRIGHT STOCKHOLM STOP TELEGRAPH BARRELS
AND TONS LOADED ON YOLANDA AND POLYKARP

EUROTANK "

" SEPTEMBER FOURTH ONE O FIVE PM

GB 354 LISBOA 10 4 1645 DEVIE

DAVCOM NEW YORK

RETURNING NEXT AVAILABLE PASSAGE PAN AMERICAN STOP STOPPING AVIZHOTEL

GEYE "

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PAGE FOUR

" SEPTEMBER ONE, TWO THIRTYONE PM

DGCT 04 2792 BERLIN 6361 1 1832 0 P1/50

L C DAVCOM

NEW YORK

454 PLEASE INSTRUCT GERMANICO TRANSFER 700000 MARKS FROM DAVIS SPECIAL
ASKI TO HACIENDA SPECIAL ASKI AS OTHERWISE NO COVER FOR LETTERCREDITS
HACIENDA CONFIRM STOP SKANDITANK PURCHASING FROM YOU CARGO GASOIL AND
PAUNCO CHARTERED BRARENA AND EMMAMAERSK STOP MAKE LEADINGS ORDER
SKANDITANK STOP LOAD GASOIL ON BRARENA AND DECLARE FUELOIL ON MAERSK
STOP SKANDITANK PAYING CASH UPON ARRIVAL MALMOE

-NO SIGNATURE "

PHOTOSTATIC COPIES ABOVE AND ADDITIONAL WIRES BEING TRANSMITTED

AMASD

FOXWORTH *flu*

ACK AND HOLD

~~CONFIDENTIAL~~

Federal Bureau of Investigation

U. S. Department of Justice

~~PERSONAL AND~~

~~STRICTLY CONFIDENTIAL~~

San Antonio, Texas

September 26, 1939

RHW/ML

Mr. Tolson.....
Mr. Nathan.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Ladd.....
Mr. Coffey.....
Mr. Egan.....
Mr. Glavin.....
Mr. Crowl.....
Mr. Harbo.....
Mr. Lester.....
Mr. Hendon.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Sears.....
Mr. Quinn Tamm.....

Director,
Federal Bureau of Investigation,
Washington, D. C.

Re: TELEPHONE SURVEILLANCE IN
AND OUT OF MEXICO.
Espionage

Dear Sir:

Reference is made to teletype sent the Bureau on September 23, 1939, and to letter from the San Antonio office to the Bureau dated September 25, 1939.

SAC GUS T. JONES advised the writer by long distance telephone this morning from Mexico City that W. R. DAVIS was in Mexico City on September 16, 1939, for one day and that his mode of travel in going to and leaving Mexico City is not known at this time but that he would endeavor to ascertain this information.

SAC JONES also advised that the cable was not used by DAVIS. This information was furnished Mr. Tamm of the Bureau by long distance telephone on this date.

DECLASSIFIED BY 2909 DAD/
ON 4-11-78

Very truly yours,

Gus T. Jones,
Special Agent in Charge.

AIR MAIL

RECORDED

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF
DATE 5-2-78 BJR

65-1168-87X1	
FEDERAL BUREAU OF INVESTIGATION	
SEP 28 1939	
U. S. DEPARTMENT OF JUSTICE	
STANDARD	TW

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm ✓.....
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
[Handwritten signature]
[Handwritten initials]

FILETYPE

DECODED COPY

DECLASSIFIED BY SP7 a/cic/rm
DECLASSIFY ON: 25X 3

~~CONFIDENTIAL~~

9-28-39

5603 PM W

DECLASSIFIED BY
ON 6-5-00

DECLASSIFIED BY
ON 6-5-00

WILLIAM RHODES DAVIS ESPIONAGE. R. B. MCPHERSON AND H.K. PHELPS
VICE PRESIDENTS, FIRST NATIONAL BANK OF SHREVEPORT DID NOT RECALL
NAME OF CUSTOMER OR CLIENT WHO REQUESTED CREDIT INFORMATION CONCERNING
DAVIS BUT THOUGHT IT MIGHT BE GROGAN OIL COMPANY OF SHREVEPORT WHICH
COMPANY HAD NO RECORD OF MAKING INQUIRY. DUN AND BRADSTREET OF
SHREVEPORT FORWARDED FILE ON DAVIS TO NEW YORK OFFICE AS FILE
UNFAVORABLE. PHELPS RECALLED THAT OVER A YEAR AGO DAVIS OPERATED
LOUISIANA CRUSADER OIL COMPANY IN SOUTH LOUISIANA AND TEXAS CRUSADER
OIL COMPANY NEAR HOUSTON TEXAS AND THAT AUSTIN B. TAYLOR OF HOUSTON WAS
ATTORNEY FOR DAVIS. FILES OF FIRST NATIONAL BANK OF SHREVEPORT INDICATED
THAT IN JANUARY NINETEEN TWENTY FIVE TENNESSEE COAL, IRON AND RAILROAD
COMPANY OF BIRMINGHAM, ALABAMA MADE INQUIRY ABOUT W.R. DAVIS AND
HIS CONNECTIONS, WHILE IN DECEMBER NINETEEN TWENTY FOUR FIRST NATIONAL
BANK ADDRESSED A LETTER TO THE NATIONAL BANK OF COMMERCE NEW YORK CITY
AT THE REQUEST OF THE CONTINENTAL SUPPLY COMPANY OF SHREVEPORT TO
ASCERTAIN DAVIS CONNECTIONS WITH CRUSADER OIL COMPANY. REPLY BEING

RECORDED & INDEXED

Classified by 2909, DJS
Exempt from GDS Category 2
Date of Declassification Indefinite

~~CONFIDENTIAL~~

4-12-78

~~CONFIDENTIAL~~

PAGE TWO

RECEIVED FROM THE NATIONAL BANK OF COMMERCE NEW YORK CITY THAT
CRUSADER OIL COMPANIES MENTIONED^E WERE SUBSIDIARIES OF ~~BRITISH~~
MEXICAN PETROLEUM COMPANY AND THAT DAVIS HAD PREVIOUSLY GIVEN
AS REFERENCE BLAIR AND COMPANY AND THE CHASE NATIONAL BANK OF
NEW YORK CITY. INVESTIGATION BEING CONTINUED TO LOCATE AND INTERVIEW
CLIENT OR CUSTOMER FOR WHOM FIRST NATIONAL BANK OF SHREVEPORT MADE
INQUIRY THIS YEAR. (X)(u)

SACKETT (X)(u)

END

ACK

WASH OK FBI WASH DC OEC

NEW YORK CITY OK FBI NYC JGW

DISC

~~CONFIDENTIAL~~

↑
X
↓

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EPC:MTG:ON
65-1168

October 2, 1939.

MEMORANDUM FOR MR. LADD

Re: WILLIAM RHODES DAVIS;
ESPIONAGE.
Cryptographic Analysis.

The examiners have completed preliminary study of approximately 2950 telegrams. These were submitted by the New York Office under dates of September 2nd, 22nd, 23rd, and 25th, 1939, and also in teletype communications from the New York Office dated September 21st, 22nd, 23rd, 27th, and 29th, 1939. These messages are both incoming and outgoing during the months from September 1938 to date and pertain to the business of W. R. Davis, Incorporated of New York and its several officials. The vast majority of these telegram messages appear to be concerned with the transaction of oil business in various places in the world. Some of the messages prior to September 8th, 1939 refer to international politics, possibly in relationship to the conduct of oil business. Some of these messages are in code but the majority of these earlier messages are not code, but written in plain English or a foreign language. Prior to September 8th, 1939 it has been noted that the W. R. Davis Company, in its correspondence, utilized three or four definite code book systems in the codifying of commercial messages. It has been possible in the laboratory to identify and locate several of these code book systems and a subsequent decode of messages written under these systems would seem to indicate them to be routine commercial messages. Efforts to identify and locate the code book system for one other system is continuing. In addition to the use of these code book systems, on occasion the company and its correspondents would use words which apparently are a natural condensation of frequently used business phrases, i.e. "Bladings" for "Bills of Lading".

On September 8th, 1939 a new form of coding appears in some of the messages for the first time and it is used continuously in some of the messages to date. This is a code word system, i.e. the use of a previously agreed upon code word usually registered by both the sender and the receiver in a code book which code word has a specific and previously agreed upon meaning. So far it has not been possible in the

2 copies destroyed - 30
ENCLOSURE
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DATE 1-21-98 BY SP2 a/c/m

RECORDED
&
INDEXED

65-1168-88X
FEDERAL BUREAU OF INVESTIGATION
OCT 16 1939
U. S. DEPARTMENT OF JUSTICE
TAMM
TWO

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Coffey
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

10-2-39

laboratory to identify this new code word system with any of the numerous commercial code books in existence. This study is being continued. It is possible that it is not any of the published codes, being a homemade selection and compilation of code words. Another possibility would be the use of a previously agreed upon dictionary or other book wherein the code word is selected by dropping back or advancing a prearranged number of words. It should be further understood that in coding these telegrams by this method the entire message is not usually coded but rather code words are interspersed where necessary to obscure the meaning of the message and also to designate certain personages, et cetera. Because of a reference which appears in one of the Davis telegrams (dated September 14th), this code is being referred to in the laboratory as the Chrystemum code.

Upon the basis of the purported translation furnished the president by Subject Davis of the code telegram of September 18th, 1939, in which the Chrystemum code is used, and upon the basis of a study of the usages of the code words in a number of the messages, a tentative interpretation has been placed on many of the code words in use. There follows a complete list arranged in alphabetical order of what appear to be the code words so far used since September 8th, 1939. Where it has been possible to place a tentative interpretation on any of these words such interpretation is placed opposite the code word. There also follows in chronological order those code telegrams from September 8th, 1939 which appear to deal with international political matters and below each coded telegram is the tentative interpretation after an application of the decoding so far worked out. As additional messages are received it will probably be possible to further improve the interpretation placed upon these code messages and in the meantime the search for these words in a published code system or a dictionary system of some kind continues. For record purposes the translation of coded commercial messages and messages in foreign languages in telegrams prior to September 8th, 1939 is being continued in the laboratory and these translations will be made available for any reference need.

Respectfully,


E. P. Coffey.

APOTHEKE	Translation: Drug store Probably means depository or account in which are deposited advance funds
ARRANDEMENTS	Arrangements
ARZT	Translation: Doctor or physician Code name of a person in Germany
BARON	Code name of William Rhodes Davis
BEYER	Probably code name of a person in Germany
BIDON	Cargo
BLADINGS	Commercial contraction, means Bills of Lading
BORDEAUX	Washington
CHRYSANTHEMUM (and other spellings)	Probably means Erna Wehrle, secretary to Davis
DEVISEN	Probably another form of credit or funds
DIAGNOSE	Negotiations
DORAH	Might be misspelling of Borah (Senator)
DOSIERUNG	
DUNG, WALTER	A man's name, possibly Walter Jones
DUTCHY	A country, probably Luxemburg
EMIL	Code name of a person in Europe
ERICH MASS	A name
ESPE (Polandespe)	War Polish war
EXPECTABLE	Probably a business code abbreviation
FRABCUS	Note also word FRANKUS is used, both of which may refer to a bank
FRANZI	
FRUECHTEJOBS	Translation: Fruit jobs
GERSTENNATION	Translation: Barley nation Probably means belligerent country

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-29-98 BY SP2/CLM

65-1168-88X

GRAF	Joachim Herzlet
HAMSUD	Cable name of a firm
HOLZ	Translation: Wood Meaning a kind of money
KIRCHE	Translation: Church Meaning possibly man's name
KLEIE	Translation: Clay or mouldy earth
KLINIK	Translation: Clinic
KOMMODE	Translation: Chest of drawers Meaning probably accomodations
LUFT	Translation: Air Meaning: ??
MASSNAT	First National Bank of Boston
MUTTER	Translation: Mother Probably code word meaning: ??
MEDIZIN or MEDIZINSUM	Translation: Medicine Probably means advance funds
MEXUSA	Probably a cable address
MEYER	Probably code name for individual in Europe
NEEF	Man's name, Karl Neef, 139 Isestrasse, Hamburg
NO 1	
OBERIN	United States of America
OPERATIONEN	Translation: Operations
OPETE	
PETER	
PUDER	Kind of money
RAFFINAJUL	

SPALTUNG

Translation: Division

SOERENSEN

SPIESS

Translation: Spear
Means F. D. Roosevelt

SUEDAMERO

Code name, Deutsche-Sudamerikanische Bank, A. G. at
Berlin and Hamburg, Germany

TROMBOSE

WAHNSINN

WEIZEN

Translation: To direct
Code meaning: Neutral

1939 SEP 8 PM 7 08

DGGDU BERLIN 4063

18 8 2010

DAVCOM NEWYORK

ALL WELL NOW ESPE IN EAST SUCCESS KLEIE NEXT DAYS MORE

SEARCHING FOR BEST WEIZENCOUNTRY

HERZIE

Decode:

1939 Sep. 8 PM 7 08

DGGDU Berlin 4063

18 8 2010

DAVCOM, NEW YORK

All well now (war) in east success KLEIE next days more

searching for best (neutral) country

Herzie

1939 SEP 9

SDBRJ SW5183

MALMO 87/86 8 1905

NLT DAVCOM

NEWYORK

14 OWNERS FENERALIYY UNWILLING ACCEPT NEEFS INSTRUCTIONS TRANSFER
CHARTERPARTIES STOP WE UNDERSTAND PEDERSEN RACINE PROCEEDING MALMOE
STOP POLYKARP UNDER CHARTER BY RAFFINAJUL WITH WHOM ENDEAVORING
COMMUNICATE STOP ANNAKNUDSEN OWNERS CLAIM FOR NEW CHARTER SWEDISH
KRONOR TWENTY PER TON PLUS WARINSURANCE VESSEL PLUS WAR BONDS CREWS
STOP ONE HALF

(Not signed)

Decode:

14 owners Feneraliyy unwilling accept Neefs (Karl) instructions
(Co. file No. of cable)

transfer charterparties stop we understand Pedersen Racine proceeding
(a boat) (a boat)

Malmoe stop Polykarp under charter by Raffinajul with whom endeavoring
(a city) (a boat)

communicate stop Annaknudsen owners claim for new charter Swedish kronor
(a boat)

twenty per ton plus war insurance vessel plus war bonds crews stop one
half.

(Not signed)

1939 SEP 9 PM

JOACHIM HERTSLET

PRINZHANDJERY STRASSE 31

BERLIN-ZEHLENDORF (Germany)

THANKS CABLE CONGRATULATIONS SUCCESS STOP SEE OUR CABLE GUSTAF FOURTH
SENT THROUGH FUERST ALSO OUR 48B TO EUROTANK STOP. MEDIZIN SITUATION HERE
AT BREAKING POINT APPRECIATE WHATEVER YOU CAN DO REGARDS FROM ALL
CRYSTHEMUM SENDS GREETINGS AND UNDERSTANDS

DAVIS

Decode:

1939 SEP 9 PM

JOACHIM HERTSLET

PRINZHANDJERY STRASSE 31

BERLIN-ZEHLENDORF (Germany)

Thanks cable congratulations success stop see our cable Gustaf fourth
sent through Fuerst also our 48B to Eurotank stop (advance funds)
situation here at breaking point appreciate whatever you can do regards
from all (Erna Wehrle) sends greetings and understands.

Davis

1939 SEP 11 PM 9 18

DGG/BJ BERL INZEHLENDORF PR983

108 12 0005 1/50

DAVCOM NEWYORK

THANKS CABLE 10 STOP NO ANSWER CABLE 5 MUTTER MEXICO MEYER

READY TO FOLLOW ALL PROMISES FROM FRUECHTEJOBS STOP FURTHER

FRUECHTE DELIVERIES HERE INTENDED OVER BARON ACCORDING TO

EMIL PROPOSAL VIA PETER EMIL THEN DELIVERS CIF MEYER FOB STOP

RESULTS OF DOSIERUNG DELIVERIES ON SUEDAMERO ATLEAST 6000000

PUDER ALMOST ONLY FOR DISSOLUTION OF SUBACCOUNT AND LUFT STOP

FURTHER DELIVERIES WILL BE USED FOR SAME PURPOSE STOP MEYER

READY TO SELL ERICH MASS TAMPICO BUT ONLY AGAINST NEW LUFT

STOP KIRCHE GETS NOW BIDON PEDERSEN KNUTSEN RACINE STOP

NECESSARY BARON TO COME 26 SEP ROME TO MEET ARZT GRAF STOP

ARZT READY TO BE BOSS HERE

GRAF

Decode:

1939 Sep. 11 PM 9 18

DGG/BJ BERL INZEHLENDORF PR 983

108 12 0005 1/50

DAVCOM NEWYORK

Thanks cable 10 stop no answer cable 5 MUTTER Mexico MEYER
ready to follow all promises from FRUECHTEJOBS stop further
FRUECHTE deliveries here intended over (Davis) according to
EMIL proposal via PETER EMIL then delivers cif MEYER fob stop
results of DOSIERUNG deliveries on SUEDAMERO atleast 6000000
PUDER almost only for dissolution of subaccount and LUFT stop
further deliveries will be used for same purpose stop MEYER
ready to sell ERICH MASS Tampico but only against new (air)
stop KIRCHE gets now (cargo) Pedersen Knutsen Racine stop
(a boat) (boat) (boat)
necessary (Davis) to come 26 Sept Rome to meet (Doctor, possibly
Goering) (Hertzlet) (Doctor, possibly Goering) ready to be boss
here

(Hertzlet)

1939 SEP 12 PM 9 20

NLT JOACHIM HERTSLET PRINZHANJERYSTRAUSSE 31 BERLIN-ZEHLENDORF
WILL MEET FRANZI FRIDAY AND ADVISE HIS DISPOSITION REFERENCE
YOUR CABLE ELEVENTH STOP YOURS TENTH OVER MUTTER CAN SHIP FROM
MEXICO OR USA ONLY AGAINST HOLZ FOB TO YOUR ORDERS STOP
PRICES LOW PLATTS OILGRAM USGULF WHICH IS TODAY ABOUT
3 3/4 CENTS PER GALLON STOP CABLE LOWEST AND HIGHEST PRICE YOU EXPECT
OBTAIN FOR MASS MEXICO STOP LEAVING CLIPPER NEWYORK TWENTIETH MEET
GRAF ARTZ GRANDHOTEL ROME STOP MASSNAT STILL SHAKY

DAVIS

DAVIS AND CO INC 30 ROCKEFELLER PLAZA

Decode:

Will meet Franzi Friday and advise his disposition reference
your cable eleventh stop yours tenth over Mutter can ship from
Mexico or USA only against (a kind of money) FOB to your orders stop
Prices low Platts Oilgram U. S. Gulf which is today about
3 3/4 cents per gallon stop Cable lowest and highest price you expect
obtain for Mass Mexico stop. Leaving Clipper New York twentieth meet
(Hertzlet) (possibly Goring) Grand Hotel Rome stop (First National Bank of
Boston) still shaky.

Davis

Sept. 13, 1939

NLT
JOACHIM HERTSLET
PRINZHANJERSTRASSE 31
BERLIN ZEHLENDORF

HAVE THREE BIDONS LUFT FOR IMMEDIATE DELIVERY WEIZEN COUNTRY AGAINST MEDIZIN
AND BELIEVE CAN FURNISH ADDITIONAL BIDONS IF AM INSTRUCTED PURCHASE CAN
CONTINUE MONTHLY FROM THREE TO SEVEN BIDONS STOP MEDIZIN NECESSARY STABILIZE
APOTHEKER SPALTUNG SITUATION IS LIQUIDATION KOMMODE APPROXIMATELY 461000
HOLZ AND PAYMENT BIDONS FOR VALUE RACINE PETTER POLYKARP KNUDSEN EUROFELD
APPROXIMATELY 550000 HOLZ TOTAL APPROXIMATELY ONEMILLION HOLZ STOP BORDEAUX
THURSDAY MEXICO FRIDAY HOUSTON SATURDAY NIGHT NEWYORK MONDAY NOON STOP ASK
EUROTANK ANSWER OUR NLT TENTH RE HAMSUD

BARON

Chg: Davis & Co. Incorp., Rm. 5440 RCA Bldg.

Decode:

Sept. 13, 1939

RCA

Have three (Cargos) Luft for immediate delivery (Neutral) country against
(probably "advance funds") and believe can furnish additional (Cargos) if
am instructed purchase can continue monthly from three to seven (Cargos)
stop (probably "advance funds") necessary stabilize (possibly a financial
account) Spaltung situation is liquidation Kommode approximately 461000
(a kind of money) and payment (cargos) for value
RACINE PETTER POLYKARP KNUDSEN EUROFELD approximately 550000 (a kind of money)
- boats -
total approximately onemillion (a kind of money) stop (Washington)
Thursday Mexico Friday Houston Saturday night New York Monday noon stop ask
Eurotank answer our NLT tenth re Hamsud

(Davis)

SEP 13 AM 9 27

DGGWR BERLIN PR2388

68/64 13 1211

LG DAVCOM NEWYORK

SITUATION HERE ASKS FOR YOUR ACCEPTING BORDEAUX OFFERED POSITION
GRAF ON THE WAY BECOMING MEYER REPRESENTATIVE TO OBERIN STOP TELL ME
MEDIZINSUM NECESSARY TO STABILIZE APOTHEKE FINANCIAL SITUATION TO
FURTHER OPERATIONEN INSIST ON TROMBOSE STOP TELL LUFT QUANTITY POSSIBLE
DELIVER AT ONCE WEIZENPORTS AGAINST MEDIZIN STOP SPEND INDEFINITE
DISPOSE NOW LONGTIME BASIS. STOP WOULD LIKE GETTING LETTER FROM DUNG
FOR BEYER

GRAF

Decode:

Situation here asks for your accepting (Washington) offered position
(Hertzlet) on the way becoming Meyer representative to (United States
of America) stop tell me (amount of money, or advance funds) necessary to
stabilize (possibly a financial account) financial situation to further
Operationen insist on Trombose stop tell Luft quantity possible deliver
at once (neutral) ports against (advance funds) stop spend indefinite
dispose now longtime basis stop would like getting letter from (possibly
Walter A Jones) for Beyer

(Hertzlet)

1939 SEP 14 PM 3 40

MF DGG BERLIN PRK 4218

46 14 1932

LC DAVCOM NEWYORK

THREE FELLOWS FIRED NOW INVESTIGATION STARTS TODAY ALL
DOCUMENTS BARON GETS ROME AVOID STRICTLY TO GIVE CABLES
EXCEPT CHRYSTEMUM LANGUAGE OR OVER PETER MEXUSA STOP
STAY DUTCHY TOMORROW IS IT POSSIBLE GET OFFICIAL INVITATION
VIA WALTER DUNG FROM NUMBER ONE AT ONCE

GRAF

Decode:

Three fellows fired now investigation starts today all
documents (Davis) gets Rome avoid strictly to give cables
except (Erna Wehrle) language or over Peter Mexusa stop
Stay (possibly Luxembourg) tomorrow is it possible get official
invitation via Walter (possibly Walter A Jones) from Number One at once
(Hertzlet)

1939 SEP 16 PM 2 28

ORDGSEN 3033

LUXEMBOURG 26 16 0930

NLT DAVCOM NEWYORK

FOUND HERE ACCOUNT 60000 DOLLARS AVAILABLE ONLY THROUGH

TWINS HERMANN COMING FOURTHNIGHT AGO FROM ROTTERDAM

BANK BALANCE BOOKS OPETE YOU GET ROME

HERZIE

Decode:

Found here account 60000 dollars available only through

twins Hermann coming fourthnight ago from Rotterdam

bank balance books OPETE you get Rome

Herzie

SEPTEMBER 18, 1939

JOACHIM HERTSLET

PRINZHANJERYSTR 31

BERLIN-ZEHLENDORF

HAVE YOU DONE ANYTHING REGARDING RESERVATIONS FROM LISBON TO
ROME STOP WE UNABLE MAKE ARRANGEMENTS HERE

BARON

Decode:

JOACHIM HERTSLET

PRINZHANJERYSTR 31

BERLIN-ZEHLENDORF

Have you done anything regarding reservations from Lisbon to
Rome stop we unable make arrangements here

(Davis)

1939 SEP 18

DFARE BERLIN 326 15/14 18 1248

LC DAVCOM NYK

WEHRLE GRAF NEEDS ROME STATEMENT ALL ACTUAL DEVISE PAYMENTS MADE TO EUROPE

(Not signed)

Decode:

(Wehrle) (Hertzlet) needs Rome statement all actual (advance fund)
payments made to Europe

(Not signed)

SEPT 18 PM 6 44

DGGNU PRK 1007

BERLIN 88 18 2220 1/50

LC DAVCOM NEWYORK

ASK LISBON HOTEL VICTORIA FOR TRANSPORT ROME ALL PREPARED
STOP AGREED COMPLETELY DIAGNOSE SPIESS ON AUGUST BASIS
NEW ARGUMENTS ARRANDEMENTS FAR EAST IMPORTANT FOR OBERIN
STOP SEE POSSIBILITY ABSOLUTE APPEASEMENT AFTER POLANDESPE
IF NEW COMBINATION HERE IF ASSIST BY WEIZENBERIN STOP TRY
TO GET INFLUENCE BORDEAUX IN DIRECTION STRICT WEIZEN WITHOUT
ANY REVISION OF THE ACT BEFORE MEETINGDAY BECAUSE MAY BE TOO LATE TOCHANGE
READY DECLARATION STOP TAKE CONNECTION WITH DORAH ATONCE EACH SELLING
TO GERSTENNATION MEANS DESTROYING OF BIDON AND AFTER THIS ESPE

GRAF

Decode:

Ask Lisbon hotel Victoria for transport Rome all prepared
stop agreed completely (negotiations) (Franklin D. Roosevelt)
on August basis new arguments (arrangements) far east important for (U.S.A.)
stop see possibility absolute appeasement after (Poland War) if new
combination here if assist by (Neutral U.S. of A.) stop try to get
influence (Washington) in direction strict (neutrality) without
any revision of the act before meeting day because may be too late to
change ready declaration stop take connection with Dorah at once each
selling to (belligerent nation) means destroying of (cargo) and after
this (war)

(Hertslet)

1939 SEP. 19

LC
JOACHIM HERTSLET

PRINCHANJERYSTR 31

BERLIN-ZEHLENDORF

CONTENTS YOUR CABLE DISCUSSED WITH SPIESS WHO IN PERFECT AGREEMENT
STOP WEIZEN ACT WILL BE ONLY PROPAGANDA INSTRUMENT REASONS WILL
EXPLAIN ON ARRIVAL STOP BE SURE HAVE EVERY POINT COVERING ADJUSTMENT
READY IN ORDER AVOID UNNECESSARY CONVERSATIONS THEREBY ELIMINATING
DELAY STOP THIS SIDE READY PROVIDING FLEXIBILITY WITH YOU STOP
ATTEMPTING GET SPECIAL PERMIXSION CRYSANTHEMUM Z ACCOMPANY ME

BARON

Decode:

LC
JOACHIM HERTSLET

PRINCHANJERYSTR 31

BERLIN-ZEHLENDORF

Contents your cable discussed with (Franklin D. Roosevelt) who in
perfect agreement stop (Neutrality) act will be only propaganda instrument
reasons will explain on arrival stop be sure have every point covering
adjustment ready in order avoid unnecessary conversations thereby
eliminating delay stop this side ready providing flexibility with you
stop attempting get special permission (Erna Wehrle) accompany me

(Davis)

SEPT 20 1939

HERTSLET

PRINZHANDJERYSTR 31

BERLIN ZEHLENDORF -GERMANY-

DAVIS DEPARTED TODAY ALONE TAKE GOOD CARE OF HIM

CHYSANTHEME

Davis departed today alone take good care of him

(Erna Wehrle)

SEPT 20 1939

JOACHIM HERTSLET

PRINZHANDJERYSTR 31

BERLIN ZEHLENDORF - GERMANY -

YOUR NLT RECEIVED AFTER DEPARTURE BARON STOP WE UNAWARE MEDIZIN
ACCOUNT FRANKUS 21000 DISCUSS WITH BARON POSSIBILITY THIS TRANSFER
STOP UNABLE UNDERSTAND YOUR NUMBER REFERENCES REGARDING BIDONS
ALSO DISCUS BARON
CHRYSANTHEME

Your Night letter telegram received after departure (Davis) stop we unaware
(advance funds) account FRANKUS 21000 discuss with (Davis) possibility this
transfer stop unable understand your number references regarding (cargoes)
also discuss (Davis)
(Erna Wehrle)

(not dated)

BERLIN DEN 101 /1001/51 19 2332

NLT DAVCOM NEWYORK

GRAF TRANSFERRING 460000 HOLZ KOMMODE STOP BIDONS AUGUST LIFTING

SCHEDULE NO 1 PAYMENT BAECKER NO 4 MEDEZIN 5 12 PAYMENT FROM WEIZEN

COUNTRIES 10 11 13 NOT YET DISCHARGED WHAT ABOUT 15 AND NO 5 SEPTEMBER

SCHEDULE STOP NECESSARY PURCHASING WAHNSINN AGAINST MEDEZIN MORE

MUTTER EMIL STOP HAMSUD CANNOT PAY INVOICES MOMENTARY GRAF SUGGEST USE

HOLZ 21809,30 PRIVATS MEDEZIN ACCOUNT BARON WITH FRACUS STOP NO

SOERENSEN ANKER EXPECTABLE EXPLAINING ROME STOP RE SHEET KLEIE CAN

YOU ARRANGE FOR KLEIE TO EMIL ACCORDING DIAGNOSE FRANZI FOB WEIZENPORT

AS EMIL PROPERTIES STOP WILL DISCUSS LUFT BIDONS KIRCHE ROME

GRAF

Decode:

BERLEN DEN 101 /1001/51 19 2332

NLT DAVCOM NEWYORK

Hertzlet transferring 460000 (a kind of money) KOMMODE stop (cargo) August

lifting schedule no 1 payment Baecker no 4 (a kind of fund) 5 12

payment from neutral countries 10 11 13 not yet discharged what about 15

and no 5 September schedule stop necessary purchasing WAHNSINN against

(fund?) more MUTTER EMIL stop HAMSUD cannot pay invoices momentary

(Hertzlet) suggest use (a kind of money) 21809,30 privats credits account

Davis with (possibly a bank) stop no SOERENSEN ANKER EXPECTABLE

explaining Rome stop re sheet KLEIE can you arrange for KLEIE to EMIL
according negotiations FRANZI fob neutral port as EMIL properties
stop will discuss LUFT cargo KIRCHE Rome

(Hertzlet)

DFE BERLIN 2898 39 20 2204

NLT DAVCOM NY

SEE CABLE KLINIK FROM EUROTANK AUGUST NINTH TWO PARTS
OF ASSETS IN NORTHERN COUNTRIES ARE SOLD TODAY AS PROPOSED
STOP ALL PREPARED HERE FOR YOU STOP PHONE MY
PETER LISBON FOR RESERVATIONS IF NOTHING VIKTORIA

GRAF

Decode:

DFE BERLIN 2898 39 20 2204

NLT DAVCOM NY

See cable KLINIK from Eurotank August ninth two parts of
assets in northern countries are sold today as proposed
stop all prepared here for you stop phone my PETER Lisbon
for reservations if nothing Viktoria

(Hertzlet)

SEPT 21 1939

W. R. Davis
HOTEL INVERURIE
BERMUDA

GRAF ADVISES ALL PREPARED THERE FOR YOU STOP TELEPHONE HIS PETER
LISBON FOR RESERVATIONS IF NOTHING VICTORIA STOP ITALIAN AIRLINE ALSO
CONFIRMED YESTERDAY RESERVATION FOR YOU STOP ACCORDING TO SCHEDULE
WE HAVE HERE PLACE LEAVES LISBON FRIDAY TWO PM

WEHRLE

Decode:

(Hertzlet) advises all prepared there for you stop telephone his
Peter Lisbon for reservations if nothing Victoria stop Italian airline
also confirmed yesterday reservation for you stop according to
schedule we have here plane leaves Lisbon Friday two pm

Wehrle

Memorandum.

~~Strictly Confidential~~

4

W.R. Davis has a company known as DAVCOM. Main office in Mexico city with branch at Tampico. He has about fifteen employees at Mexico City. When he first opened his offices he had a man named Flanley as manager of his Mexico City office. Flanley was formerly manager of the Telefonica Mexicana (Branch of the American Telephone Co. in Mexico City). His last manager is one Wahlne, either a German or Norweigen.

Reliable reports are that Davis has already closed his Tampico office and is gradually liquidating his Mexico City office. He has already let out some of his employees and contemplates leaving only a small force at the time.

Davis arrived in Mexico on Pan American plane from the States on Sept. 16th. and left on the Pan American on the 17th. returning to the states altho he may have stopped off one day in Tampico.

It is believed that his contract with PEMEX (Mexican Government) would not expire until the end of the current year however he can not make deliveries and for that reason it automatically expires. He is in some manner frantically trying to make connections whereby he can sell the oil through neutral countries.

During the past 14 months Davis has purchased and shipped from Mexico approximately 9,000,000 barrels of oil: He has handled relatively little Gasoline and Asphalt for shipment out of Mexico. y persons in position to know his shipments of oil have been devided as follows-About 70% to Germany, the other 30% has gone to Stockholm and Ireland.

At first his shipments to Germany were on a purly barter basis, but later the arrangements were changed to 50% cash and 50% barter. His activities have been such in connection with the barter that practically all German merchants in Mexico were compelled to deal through Davis with the fatherland concerning any commercial barter. Reliable information is to the effect that German merchants had begun to complain.

RECORDED & INDEXED

Through a confidential third party I have caused a check to be made at the cable office and there are no records of Davis sending any cables to Europe since September First. Having in mind that he may have used RADIOMEX-a powerfull station located near Mexico City I have arranged through the same source to check every radio message sent over that station since September 1st. This will be a tedious job and will take time. If there is a leak anywhere, due to the connection between Davis and the Government, I am sure that the check can not be traced to its source. At any rate more or less chances have to be taken in this matter.

There has been organized in Mexico for some time a company known as the CENTRALAMER. This company is headed by Alberto Pani, former minister of the Treasury-also participating in the company is Dr Pedro Jose Zepeda, formerly Agent of the Sandino Government of Nicaragua, one Millan (Anti American and progerman Mexican), One Rowe who claims to be an engineer from Los Angeles-I am reliably informed that Francisco Cardenas (Brother of the President) is a silent pardner in the business. Rowe is now manager of the company. This concern hopes to take over some of the business formerly handled by Davis, according to reliable sources. I am at the present getting more data on this organization and their scope of operations. The shipping agency at present handling Centralamer's business is Heynen and Eversbuch, (Agencia Comercial y Maritime, Cinco de Mayo st. #5. Mexico City. I am informed that Heynen was interned during the last war either in the U.S. or Canada-Eversbuch is the former German Consul at Tampico, Mexico. (I will also get more information on these individuals). The Centralamer were loading a ~~Norwegian~~ vessal S.S. Olga S. out of Tampico on 9/22/39 with 3400 tons of asphalt for Copenhagen. It is not beyon a possibility that crude oil and gasoline can not be shipped in drums labeled as asphalt.

X-1-896-968-1X
FILED IN 64
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65-1168-88X1

2 copies destroyed - 30

DECLASSIFIED BY 2909 DPJ/af
ON 4-11-78

It may be interesting to note that this is the first Danish boat of Heynen and Eversbush to touch a Mexican port this year.

German salesmen in Mexico are telling their clients that Germany will continue to deliver goods to Mexico through neutral ports and that they contemplate using Danish, Swedish, Norwegian and Italian ships and expects to induce those countries to establish lines of SMALL ships to and from Mexican ports.

Germany is in debt to the Mexican Government approximately \$7,000,000 due to the Davis barter deal. A reliable source advised me that the German minister recently propositioned the Mexican Government that they could consider that the eight interned German boats now in Mexican ports were collateral for this debt; that Germany would certainly comply with their contract and that Mexico would not loose, however it might be as long as a year before they could liquidate the debt.

I have established some very good contacts and will before many days be able to give you a detailed and as accurate a picture of the situation here as can be possibly obtained.

This memo is being hurriedly written in order to make the Diplomatic pouch that leaves here within an hour.

I am reliably informed that the telephone line of the Embassy is tapped, in so far as long distance calls are concerned, the Embassy staff know this.

I personally met Ambassador Daniels before he left here and am in daily contact with the Acting Ambassadors. They have talked with me in detail concerning the general situation and are very desirous of having the help of the Bureau. I will cover this in detail in a later communication.

Jones.

October 2, 1939.

In 1937 the Mexican Government expropriated vast iron ore deposits (Unworked) located in the state of Michoacan ~~located in~~ in the Morelia district. The Bethlehem Steel Co. had options on these deposits. Located to the south in the state of Guerrero in what is termed "Unexplored" territory is said to be more vast iron ore deposits. This is in a country not reached by transportation of any sort. ~~at~~ the time of the expropriation of the iron ore deposits the President issued instructions to the Secretaries of Public works, Communication, National Economics and the Chief of the Agrarian Department as follows:

The Government having decided to exploit the iron ore deposits of Las Truchas, in the district of Carezal de Artega, state of Michoacan, for the purpose of attending the domestic necessity of the industry, we take advantage of the market which now exists in foreign countries. The secretary of Economics is to make a study of the feasibility of dredging Bara de Piche and to trace a Rail Road from the Bara de Piche to the ore deposits of Las Truchas.

Instructions were also issued to install camps for the purpose of obtaining information concerning the needed resources such as water power, water for drinking, wood for fuel Etc.

The Secretary of the Agrarian Department was also instructed to direct activities of that department in the effected zone.

While Bara de Piche is not noted on any map of Mexico it is thought to be at the mouth of the undeveloped harbor of Zihuatanejo located in the state of Michoacan not far from the border of the state of Guerrero. It is strongly rumored that the Japanese have actually been negotiating for concessions in that section and actually offering to financially aid in completing the contemplated rail-road from the port (To be developed) to the iron ore deposits. The above information is in the possession of the Military Attache who also has information that recently there were 500,000 tons of felspar on the docks at Mazatlan for shipment to Japan and they have also secured options on some 100,000 tons of scrap iron to be shipped 10,000 tons per month and that it was reported that the Mexican Government has made Japan a concession to lift the export tax on these articles.

On October 1st. I talked with an informant, together with Colonel McCoy Military Attache, who stated that there were two Japanese named Amonaki and Echiguito who have recently purchased a small "Farm" of ten hectares in an isolated part of the state of Guerrero in the section where the iron ore deposits are supposed to lie. That this ten hectare place could not support one person from what could be produced upon it. Informant, who is an intelligent reliable man, had occasion to be in that section and unknown to the two Jap's visited their shack and found therein expensive surveying equipment and photographic equipment of the finest quality. Informant knows equipment of this kind as he is a [redacted]

[redacted] and was able to ascertain at Morelia, Michoacan that these two Japanese frequently drew drafts on the Laguna Oil Co. a Japanese concern with headquarters in Mexico City. Informant stated that one of the Japanese was now at Acapulca and the other at Zihuatanejo (Above mentioned).

It is believed that these two Japanese are Agents of the Japanese Government making secret surveys and geological examinations in the sections of the state of Guerrero above mentioned. It is believed that, if possible, an agent of the American Government should make a personal investigation regarding the cativities of these two Japanese.

RECORDED & INDEXED

The American Embassy has all this information.

FOIA(b)(7) - (D)

DECLASSIFIED BY 2909 DPS/df
ON 4-11-78

65-1168-88X2

DEPT. OF STATE
UNIT E
OCT 1939

~~Confidential~~
Re Nicaraguan Revolution being fomented
in Mexico.

ct. 2, 1939.

For several days Col. McCoy, Military Attache, has been receiving apparently reliable reports from widely different sources that a revolution in Nicaragua was being fomented in Mexico and that the organizers of the movement are:

Emilio Chamorro, Former President of Nicaragua. Doctor Lorenzo, former Minister from Nicaragua. General Hurtado, formerly of the Nicaraguan army (Military leader) and that moral support and a certain amount of equipment is to be furnished by Mexicans some of them connected with the present Government of Mexico. Also that a General Segundo Chamorro, now residing in San Francisco (No relation to President Chamorro) is also in on the movement. General Chamorro is a friend of Ex. Governor Magana of the state of Michoacan and until recently a candidate for president of Mexico and one of the original radicals. Recently Chamorro sent a friend in Mexico to see Magana to talk the matter over and found that Magana was very sympathetic to the movement. According to further information in the possession of Colonel McCoy the movement was to start about one month ago while President Samosa of Nicaragua was in the United States but for some reason the movement did not take place.

The plan of the revolution is to strike simultaneously in the gulf of Fonseca, in the south, and Segovia in the north. The latter place being the old hang-out of Sandino, who has many of his old followers in that section who hold the present Government responsible for his death. Other recruits are to be obtained from some ten thousand Nicaraguan refugees now in Costa Rica. Colonel McCoy also has information that quantities of arms and ammunition have been unloaded from boats at or near Vera Cruz, some of it thought to be from the Spanish Revolution. This equipment has been stored in secret places with the knowledge of certain Mexican Officials. I talked to a man, in the presence of Colonel McCoy, who had been approached to join the movement. This man is apparently a sincere and reliable person- [redacted] He stated that the movement was an absolute fact and that he had been commissioned to locate six Spanish Refugee aviators and six machine gun operators who would be well rewarded for their participation in the movement. Informant further stated that his [redacted] was at the present time a [redacted]

[redacted] and was at least giving the movement his moral support. That the leaders stated that they already had sufficient arms and ammunition cached in Mexico and other countries and that they desired to start the movement without any further delay. Informant stated that General Hurtado would be the Military leader and that Chamorro would be the man behind the movement. Informant indicated that he would possibly participate in the movement and that he would be willing to keep Colonel McCoy and myself advised of the movement. This informant did not ask for any financial assistance but did indicate that he would like to know just what the attitude of the United States would be towards the movement. He was told by myself and Colonel McCoy that we did not know and certainly could not discuss a matter of that kind also that we were not advising him one way or the other as to his participating in the movement. Arrangements were made to keep in touch with this informant.

An incident that may tie into this picture (and if so gives considerable weight to the many bits of information picked up relative to this movement) is the following:

On September 27th. Mr Burns, General Manager of the Ward Steamship Company in Mexico advised Colonel McCoy that a man giving his name as General Francisco Valles of Panama called at the Ward Steamship Offices in Mexico City to see him and in his absence told his Secretary that he desired to talk to Mr Ward relative to the Ward Line transporting a quantity of arms and ammunition (that would be properly cleared) from Bocando, Vera Cruz to Palo Seco, Panama. His secretary told the man that he would have to take a matter of that kind up with Mr Burns personally. Mr Burns stated that his company was not interested in a shipment of this kind but that he would cooperate with the American Government in an attempt to obtain additional information provided he was contacted about the matter.

DECLASSIFIED BY 2909 DPJ/df
ON 4-11-78

On September 30th. Mr Burns called at the office of the Military Attache accompanied by Mr Gomez, his Vera Cruz manager, and stated that a man giving the name of Francisco Pajas, Secretary to General Francisco Vallas, had just called at the Ward Company office and stated that he had been commissioned by General Valles to discuss the shipment mentioned by General Valles over the telephone. Pajas stated that the cargo consisted of 5000 rifles and 65,000 rounds of ammunition and that they desired the Ward line to receive the shipment at or near the village of Ocampo, state of Vera Cruz; that it would be necessary to deliver the shipment via launches or barges as there was no deep water that a Ward line boat could make the shore line in that vicinity; ~~and~~ that the shippers would furnish the barges and launches; that the shipment would be cleared for Palo Seco, Panama but was to be transferred on the high seas to a boat cleared from Cuba. As instructed to do so Mr Burns appeared to be interested and upon being asked by Pajas how much the cost would be to handle the shipment in that manner, ^{Mr Burns} stated that the cost would be about \$10,000. This did not seem to disturb Pajas and he wanted to pay then and there. Mr Burns told him that the Ward line would have to look over the shore line in the vicinity of where the cargo was to be loaded to ascertain the depth of the water etc. Pajas then agreed to accompany a representative of the Ward Line to the spot and go over all plans for the loading. Mr Burns then gave Pajas a letter of introduction to Mr Gomez, his Vera Cruz manager, and Pajas was supposed to go to Vera Cruz Monday night to complete the arrangements. Mr Burns stated that was about as far as he could go in the matter as the Ward Line would certainly not participate in a deal of this nature. The writer being well known in Mexico could not proceed to Vera Cruz and pose as a representative of the Ward Line and accompany Pajas to the alleged shipping point. Colonel Mc Coy or the Embassy had no employees who could take the part and it was highly inadvisable to take an outsider in on the deal, as it was our earnest desire to protect the Ward Line. Mr Burns kindly agreed to allow a trusted employee of the Ward Line to proceed to Vera Cruz and, when and if Pajas presented his letter of introduction to Mr Gomez, accompany Pajas to the shipping point ~~and~~ to obtain all information possible and if possible actually see the cache.

While this seems highly improbable there really seems to be something to the matter and if the cache actually exists it is intended for Nicaragua, ^{in my opinion} ~~also~~ the arms and ammunition were not landed by boat on the Mexican coast (as it could be taken away in the same manner it was landed) but that it came from the interior of Mexico and these conspirators are desperate in their hurried desire to move it.

This matter will be followed closely. If the cache is actually there it will be a problem as to what action the Embassy should take in the matter as of course no violation of any of the laws of the United States is involved. From a matter of intelligence, however, it is vital to the best interests of the United States to know in advance of what might be an actual revolution in Nicaragua. The State Department and the Bureau will be advised by wire of any actual developments in connection with this matter.

~~Strictly Confidential~~

Mexico, D.F.
September 26, 1939.

Mr. Tolson.....
Mr. Nathan.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Ladd.....
Mr. Coffey.....
Mr. Egan.....
Mr. Glavin.....
Mr. Crowl.....
Mr. Harbo.....
Mr. Lester.....
Mr. Hendon.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Sears.....
Mr. Quinn Tamm.....
Mr. Tracy.....

Mr John Edgar Hoover,
Director, Federal Bureau of Investigation,
Washington, D.C.

Dear Mr Hoover:-

Acting Ambassador Boal, Naval Attache Dillon and Military Attache McCoy have discussed in detail with me the problems which confront them relative to establishing reliable sources of information in order that they can carry out instructions that they have received relative to activities that may result in violation of our neutrality laws also activities that are against the best interests of our Government.

I have furnished them all the information that I have been fortunate to pick up since I have been here and find that a great deal of it checks accurately as they already had the same information from entirely different sources.

Time will not permit my attempting a detailed report to you at this time also I think the report should be written from San Antonio and certainly not from here.

To sum up the general situation gleaned from reliable sources;

#1. During the worlds war the picture in Mexico was 95% pro German. At the present time I would say it was about 65%. However should we enter the war this ratio would jump to 80 or 85%. Despite the fact that Mexico is a Democracy I will say that 95% of the OFFICIALS are pro German at the present time. A reliable source advised me to day that he did not know a single General in the Mexican Army but what was pro German(This man known about all of them)

#2. The German legation, the Consulate General, the several Consuls throughout the Republic, the German Clubs, German Writers and all individual Germans are now ingaged in a war of propaganda against Britain and France, which when necessary be extended to the United States. The German Legation has subsidized the Mexican afternoon paper "ULTIMAS NOTICIAS". As an example of the activity of Germans here I am reliably informed that a concerted move is on foot at this moment by pro German Politicians and Pro German Army Officials to bring about the removal of Col. Alberto Salinas, Chief of Military Aviation due to the fact that he is pro American. This has been more or less verified by the fact that a personal friend of Salinas told me last evening that Salinas was aware of the movement.

#3. A reliable contact who is very friendly with many of the leading Germans here and a person to whom they talk very frankly advises that a movement is on foot for several of the wealthy Germans here to transfer their property to Mexican Citizens as they fear that the U.S. will enter the war and bring pressure on Mexico to do the same. These same persons are saying that everything is at stake and that Germany can not loose this time as she would cease to exist if she did and for that reason every loyal German throughout the world was an agen of the fatherland and will stop at nothing to render assistance. These same sources say that the radios of the interned German vessels at Tampico and Vera Cruz are not dismantled and that they are communicating at will.

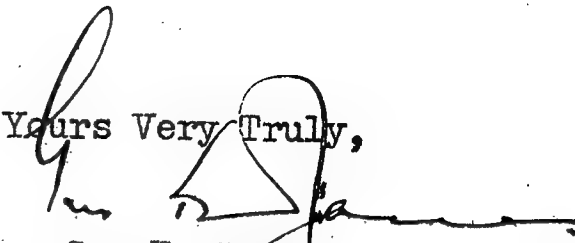
#4. It has been reliably reported that there are two German Submarines off the Mexican coast at this time. These ships were reported seen off Vera Cruz and off Puerto Mexico last Thursday. I know that the Captain of a Mexican coastwise boat reported on his log sighting the submarine off Puerto. It has also been reliably reported that the \$200 Ton German S.S. Columbus, interned at Vera Cruz, is anchored some six miles outside of the harbor (Too large to enter) and during the past week took on 120 drums of fuel oil or gasoline also a large quantity of fresh water. She would have no use for this at this time. Also that during the night time recently launches had been seen leaving her side and putting out to sea.

The PEMEX (Government) Oil Co maintains a line of oil barges running from Puerto Mexico to Tuxpam and Vera Cruz (Coastwise). That recently one of these barges was seen near a small island some sixty miles out in the gulf. It is a known fact that a submarine can refuel off the Mexican coast by the use of money and that the contacts can be arranged by radio from one of the interned ships or the many German Amature stations that are known to operate along the Mexican Gulf coast in the states of Vera Cruz, Tabasco, Quintana Roo or Yucatan.

It is some of these problems that the Embassy desires help on. The acting Ambassador tells me that the matter has already been taken up with Washington and the suggestion made that the Bureau take over the confidential work here in Mexico. I suggested that before anything definite was recommended by the Embassy that either the Naval or Military Attache personally go to Washington where the matter could be talked out. I believe that the State Department will cause such a conference to be brought about.

There is no doubt that through lack of Consuls, lack of money, lack of experience along the line the Embassy here is practically helpless to handle what is already a serious situation and what could be vital should matter become worse and unrestricted submarine warfare develop. I am passing this to you in order that you may be advised concerning suggestions that may be made by the State Department.

Yours Very Truly,


Gus T. Jones.

Oct 2, 1939.

Memorandum

~~Strictly Confidential.~~

Re W.R. Davis Et. Al. NAZI ACTIVITIES in MEXICO.

Reliable reports are that at the present time Davis's business in Mexico is "Paralyzed" and that manager Walne, now in Tampico, is arranging to close the offices in Mexico City and Tampico. Walne will talk confidentially to my informant and when he returns to Mexico City he will be contacted. He may be in frame of mind to accept other business connections if he is convinced that Davis is through. Arrangements can be made that a business proposition will be offered him with the idea to obtain from him any information he may have as to Davis future plans.

Davis has not sent any radio messages from Mexico City since September first according to a man who personally checked all messages sent over Radio-Mex.

It is believed advisable to maintain present contact and thereby contact Walne when he returns.

German houses in Mexico and the representatives of shippers in Germany are, through the connections in Mexico, advising all their customers that Germany will continue to fill contracts and orders for Mexican trade; that they will get the supplies out of Germany into neutral countries and will have them sent to Mexico and South America through said neutral countries; that if necessary factories in Russia and Italy will fill the orders and contracts for the accounts of German factories and that Germany will continue to purchase products from Mexico and South America getting them to Germany through the same routes.

Emilio Noriega, Motolinia St. #25. Mexican representative of several German houses recently exhibited to informant a letter from ~~Schunfeld Co.~~ Hamburg, Germany, dated September 3, 1939 in which assurance was given Noriega that said German company will continue to supply paper that has been contracted for by purchasers here (In this connection the Papsi Co. a Mexican Government company that has the monopoly on paper has all of its contracts placed in Germany and is considerable worried at the moment) This same letter stated that Germany would outwit the blockade and that the main worry the Germans had at the moment was that they were unable to insure their shipments against seizure. Informant also saw a Radio-Mex radiogram ~~received~~ received by Noriega, from Schunfeld Co.; during the past few days, that "Shipments were on their way".

Mexico has bartered oil to Italy for the building of three tankers and the tankers have not yet been delivered. Italian agents have recently asked Pemex (Mexican Government) Co. to send more oil to Italy as per their barter agreement, however the Government on Sep. 28th. advised Italian Agents that no more oil would be delivered except for cash until the tankers were delivered. They were told by the Italian Agents that delivery of the tankers at the present time was most difficult however that they would be delivered but it might be January 1940 before delivery could be made.

RECORDED & INDEXED

65-1168-88X5

During the past few days German Agents have been very active in attempting to obtain large quantities of metal "Flasks" used for the shipment of mercury. They are trying to have Mexican firms and individuals order flasks from the United States offering a bonus of \$2.00 per flask bought. My informant was approached on this matter and this offer was made him.

The Mexican Department of Communications at the present time has ten inspectors in the field with proper equipment attempting to localize three powerful short wave radio broadcasting stations that they know are operating in the states of Yucatan, Oaxaca and Michoacan it is believed that when these stations are located no publicity will be forthcoming but I may be able to obtain their locations and what, if any, action was taken against them.

A comprehensive summary report of a delicate and most important situation that is fast developing will be submitted from the United States in the very near future.

DECLASSIFIED BY 2909 DJS/dj
ON 4-11-78

RECORDED
&
INDEXED

LIB:ESK

65-1168-88X6

65-1168-1-1
65-2542-4172

October 4, 1939

Special Agent in Charge
Pittsburgh, Pennsylvania

Re: WILLIAM RHODES DAVIS,
ESPIONAGE.

Dear Sir:

Acknowledging receipt of your letter of September 28, 1939, and referring to the undeveloped leads set forth in the report of Special Agent F. J. Donaghue, Pittsburgh, dated September 28, 1939, please be advised that the Bureau has no objection to the St. Louis office interviewing Mr. Samuel A. Mitchell for complete, detailed information in his possession regarding the Mexican visit of Davis, Jones and Guffey, mentioned in the reference report, and if possible determine the purpose of that visit.

Regarding the undeveloped lead set forth for the Pittsburgh office to interview [REDACTED] it is the Bureau's desire that these individuals not be interviewed, at least for the present, inasmuch as they are very friendly and closely associated with Walter A. Jones, who is mentioned prominently in this investigation.

With reference to the lead set forth for the Washington Field Office to interview Marquis F. Childs, the Bureau does not feel that it is desirable to interview this individual at this time, and the Washington Field Office has been so instructed by this office.

Mr. Tolson
Mr. Nathan
Mr. E. A. Tamm
Mr. Clegg
Mr. Ladd
Mr. Coffey
Mr. Egan
Mr. Glavin
Mr. Crowl
Mr. Harbo
Mr. Lester
Mr. Hendon
Mr. Nichols
Mr. Rosen
Mr. Sears
Mr. Quinn Tamm
Mr. Tracy
Miss Gandy

COMMUNICATIONS SECTION

MAILED Very truly yours,

★ OCT 5 1939 ★

P. M. 2 DEPT. OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
Director

CO: New York
St. Louis
Washington Field Mail - Special Delivery

AIR MAIL - SPECIAL DELIVERY

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF
DATE 5-2-28 BPP

CLASSIFIED BY 2909 DPS/ol
ON 4-11-78

Federal Bureau of Investigation
United States Department of Justice
620 New Federal Bldg.
Pittsburgh, Pa.

September 28, 1939

~~PERSONAL AND CONFIDENTIAL~~

Director
Federal Bureau of Investigation
Washington, D. C.

Re: WILLIAM RHODES DAVIS
ESPIONAGE

Mr. Tolson	
Mr. Nathan	
Mr. E. A. Tamm	
Mr. Clegg	
Mr. Ladd	
Mr. Coffey	
Mr. Egan	
Mr. Glavin	
Mr. Crowl	
Mr. Harbo	
Mr. Lester	
Mr. Hendon	
Mr. Nichols	
Mr. Rosen	
Mr. Sears	
Mr. Quinn Tamm	
Mr. Tracy	
Miss Gandy	

Dear Sir:

Reference is made to report of Special Agent F. J. DONAGHUE, dated September 28, 1939 at Pittsburgh.

Please be advised that the Confidential Informant referred to therein as Confidential Informant No. 1 is [REDACTED]

FOIA(b)(7) - (D)

FOIA(b)(7) - (D)

Confidential Informant No. 2 referred to in this report is [REDACTED]

FOIA(b)(7) - (D)

Confidential Informant No. 3 referred to in the report of reference is [REDACTED]

FOIA(b)(7) - (D)

The attention of the Bureau is directed to the undeveloped leads set forth in this case and request is made of the Bureau to advise the Pittsburgh Office if it is the Bureau's desire that the undeveloped leads set forth for Pittsburgh be completed. This is left to the discretion of the Bureau in view of the discreet nature of the investigation and the lack of sufficient information in possession of the Pittsburgh Office to appropriately weigh the desirability of further contacting MESSRS. BENEDUM and TREES relative to WALTER A. JONES, with whom they are believed to be very friendly.

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF
DATE 5-2-78 BJR

RECORDED & INDEXED

Very truly yours,

S. K. McKEE

Special Agent in Charge

65-1168-88X6
65-1168-1-1
FEDERAL BUREAU OF INVESTIGATION
OCT 2 1939
U. S. DEPARTMENT OF JUSTICE

FJD:GCD
62-923

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

October 3, 1939

Time: 5:02 p.m.

MEMORANDUM FOR THE DIRECTOR

I called Agent Winton at San Antonio and advised him that the next time he is in touch with SAC Jones in Mexico City, he should indicate again that you are very much interested in the use of the radio facilities on the intern boats and that any possible information Jones can get concerning this or otherwise about the intern boats will be of great interest to you. Mr. Winton stated he would call Mr. Jones immediately.

I told Mr. Winton he might ascertain how much longer Jones plans on being in Mexico. According to Mr. Winton, Mr. Jones advised this morning that he did not know how long he would remain there but that he wanted to return to San Antonio the end of this week and dictate his report. I told Mr. Winton that it is assumed that Mr. Jones is sending through any information he obtains and that I could see no purpose in his coming to San Antonio just to dictate a report.

Respectfully,

E. A. TAMM

RECORDED
&
INDEXED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/29/98 BY SP1 a/cic/TH

65-1168-90
FEDERAL BUREAU OF INVESTIGATION
OCT 4 1939
U. S. DEPARTMENT OF JUSTICE

Federal Bureau of Investigation
United States Department of Justice
Dallas, Texas

October 2, 1939.

~~PERSONAL and CONFIDENTIAL~~

Special Agent in Charge,
San Antonio, Texas.

Re: TELEPHONE SURVEILLANCE IN
AND OUT OF MEXICO.
ESPIONAGE

NO LATER THAN
3:00 PM OCT 3 1939
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

OCT 3 1939 10:00 AM

DIVISION ONE
RECEIVED

Dear Sir:

Reference is made to your letter dated September 28,
1939.

I have ascertained that on September 23, 1939, at
2:13 p. m., Mrs. LOPEZ, no initials, from telephone 2-0504,
Mexico City, Mexico, talked to Mr. FRANK PARKER at Chicago,
Illinois, telephone South Chicago-9432, and again on September
23, 1939, at 8:45 p. m., Mrs. LOPEZ, from telephone 3-8923,
Mexico City, talked to FRANK PARKER at Chicago, Illinois,
telephone Beverly-6752.

I do not find that anyone talked to FRANK PARKER
from Mexico City at New York City on September 23, 1939.

Very truly yours,

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Dallas
DATE 5-2-78 Boyle

E. E. CONROY,
Special Agent in Charge.

FJB-kb
65-142-
cc-Bureau

INDEXED
ER

AIR MAIL SPECIAL DELIVERY

DECLASSIFIED BY 2909 DPT/df
ON 4-11-78

65-1168-90A
FEDERAL BUREAU OF INVESTIGATION
OCT 6 1939
U. S. DEPARTMENT OF JUSTICE

TWO

Mr. Tolson
 Mr. Nathan
 Mr. E. A. Tamm
 Mr. Clegg
 Mr. Ladd
 Mr. Coffey
 Mr. Egan
 Mr. Glavin
 Mr. Crowl
 Mr. Harbo
 Mr. Lester
 Mr. Hendon
 Mr. Nichols
 Mr. Rosen
 Mr. Tracy
 Mr. Gandy

P. O. Box 1680,
 San Antonio, Texas,
 September 28, 1939.

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

Special Agent in Charge,
 Dallas, Texas.

Re: TELEPHONE SURVEILLANCE IN
 AND OUT OF MEXICO,
 Espionage

Dear Sir:-

This office is conducting an investigation of a telephone conversation that took place between a Mr. FRANK PARKER in New York City and an unknown Mexican women in Mexico City, the call being placed by the latter, which call was completed at 9:40 P.M. on September 23, 1939, over the Erickson Lines from Mexico City via San Antonio and Dallas to New York City. The particular ticket number is not known, but in view of the fact that this call was placed at Mexico City over the Erickson Lines it should be in the 400 series and probably between 400 and 415.

It is requested that you endeavor to ascertain the name and telephone number of the person placing the call at Mexico City as well as the telephone number of FRANK PARKER at New York City. It is requested that this be ascertained in the most discreet manner possible in order that no suspicion may be pointed toward a very valuable confidential informant of this office.

It is requested that this information be furnished at the earliest possible moment by airmail.

Very truly yours,

APPROPRIATE AGENCIES
 AND FIELD OFFICES
 ADVISED BY ROUTING
 SLIP(S) OF DECLASS Gus T. Jones,
 DATE 5-2-78 Bj Special Agent in Charge.

AIRMAIL

cc-Bureau

INDEXED

DECLASSIFIED BY 2070 DS/df
 ON 4-11-78
 UCI 5 11 78

65-1168-90X1
 FEDERAL BUREAU OF INVESTIGATION
 SEP 28 1939
 U.S. DEPARTMENT OF JUSTICE
 ST. LOUIS

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 3, 1939

EAT:HA

MEMORANDUM FOR THE DIRECTOR

I talked with Mr. Berle of the State Department concerning the Walter A. Jones matter. Mr. Berle stated he had called Mr. Baker, who serves in the capacity of a Consul, to the State Department and advised Baker that he, Berle, had requested the Bureau to initiate some investigation into the activities of Jones and some others because of potential neutrality violations. Berle will have Baker call Kemp and Townsend and tell him that the matter has been adjusted and that it is not necessary for any further action to be taken in the Department, indicating that the matter was a misunderstanding on the part of the State Department.

Mr. Berle will obtain the Jones file and will notify us when the file is available for review in his office.

Respectfully,

E. A. Tamm

Director
Advised

RECORDED

65-1168-90X2
65-1168-88
FEDERAL BUREAU OF INVESTIGATION
OCT 4 1939
U. S. DEPARTMENT OF JUSTICE
FILES
TWO

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DATE 4/29/98 BY SP2 a/c/m

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

DALLAS, TEXAS

FILE NO.

65-109

REPORT MADE AT Dallas, Texas	DATE WHEN MADE 10/4/39	PERIOD FOR WHICH MADE 9/14/39	REPORT MADE BY J. L. FALLON
TITLE FOIA(b) (7) - (D) Informant.			CHARACTER OF CASE ESPIONAGE.

SYNOPSIS OF FACTS:

FOIA(b) (7) - (D) Dallas, Texas, informs that a party stated that the German nation had purchased a big ranch of approximately 13,000 acres near Hidalgo, Texas, the same being deeded to and reported in the name of President CARDENAS of Mexico; further, that W. R. DAVIS of Houston, Texas, a wealthy oil promoter, is friendly with the German government, and that DAVIS has large sums of money on deposit in Houston and New York City, the names of the banks being unknown to [redacted]

-P-

DETAILS:

This investigation is predicated upon the appearance of [redacted] who stated [redacted] and that he has been residing in Dallas for the past few years. He stated that about two or three weeks ago, while he was in one of the large hotels in the City of Dallas, a party had informed him that Germany had purchased about 13,000 acres of land near Hidalgo, Texas, and that the deed was recorded in the name of President CARDENAS of Mexico. [redacted] stated he does not know the name of the party who gave him the information, but he thought the individual was quite reliable.

[redacted] further stated that he is of the opinion that W. R. DAVIS of Houston, Texas, an oil promoter who is very wealthy, is friendly with the German nation; that DAVIS has large sums of money on deposit in Houston, Texas, and in New York City, the names of the banks being unknown to [redacted] but

FOIA(b)(7) - (D)

APPROVED AND FORWARDED: <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
COPIES OF THIS REPORT 5 Bureau 2 San Antonio 2 Dallas 4 copies destroyed FB 30		65-1168-191	OCT 7 - 1939
<i>1cc me [unclear]</i> <i>11-27-40 J.B.L.</i>		OCT - 2 AM <i>[Handwritten notes and stamps]</i>	

RE: [REDACTED] Informant; Dallas
#65-109; 10/4/39; SA J.L.FALLON.

he was of the opinion that DAVIS might promote the sale of oil to the German government through Mexico City, and that DAVIS would bear investigation.

UNDEVELOPED LEADS:

THE SAN ANTONIO FIELD DIVISION

At Hidalgo, Texas, will make the necessary investigation.

At Houston, Texas, will make a complete check of W. R. DAVIS, supposed to be a wealthy oil promoter and friendly with the German government.

P E N D I N G.

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 6, 1939

EAT:LCJ

2:20 P.M.

MEMORANDUM FOR THE FILE

SAC Guy Hottel called and advised that an agent had called at the office of Mr. Berle, but that he did not get to see Mr. Berle, whose secretary referred him to Mrs. Shipley.

I advised Mr. Hottel that I wanted the file on Walter Jones reviewed, and that I understood that Mr. Berle was to have had it in his office.

Mr. Hottel stated that it is his understanding that the file has been reviewed and set forth in a letter, but that we want photostatic copies of the letters in the file, as were obtained in the Davis matter. He stated, however, that Mrs. Shipley will not permit copies to be made without a request in the form of a letter.

I advised Mr. Hottel that I was under the impression that we had written such a letter, but Mr. Hottel stated that we had previously discussed the matter, at which time I suggested that he try to get the information without a letter.

I therefore instructed Mr. Hottel to do no more on the matter for the present.

E. A. Tamm

RECORDED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-29-98 BY sp/9/cuc/mt

65-1168-92
FEDERAL BUREAU OF INVESTIGATION
OCT 7 1939
U. S. DEPARTMENT OF JUSTICE

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

AR:COH

October 5, 1939

Time: 5:55 p.m.

MEMORANDUM FOR MR. TAMM

RE: WILLIAM RHODES DAVIS;
ET AL; ESPIONAGE

While in telephonic communication with SAC Foxworth of the New York Office, I was informed that since the tap has been placed on the telephone of Erna F. Wehrle, there have been only two calls, these being to stores. Agents are maintaining a loose surveillance on her but to date nothing has been developed. She goes to Radio City every morning to work but cannot be observed while there. She is tailed to her apartment in the evening and then to a show at night. Other than this, she apparently is engaged in no further activity. Even though it is possible that this woman is suspicious of the surveillance, Mr. Foxworth stated a loose tail is still being maintained.

I told Mr. Foxworth that due to the background of the case, the surveillance would have to be maintained until the Bureau receives word to the contrary. However, I also told him to mention this while in telephonic communication with the Bureau tomorrow as developments are expected by that time.

Respectfully,

A. Rosen
A. ROSEN

RECORDED
&
INDEXED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 5-29-98 BY SP-1 a/c/TH

65-1168-93

FEDERAL BUREAU OF INVESTIGATION
OCT 7 1939
U. S. DEPARTMENT OF JUSTICE
TAMM
TRC

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:JJW

October 5, 1939

MEMORANDUM FOR THE DIRECTOR

While talking to Special Agent in Charge Gus T. Jones about various matters, I told him that the Director had been most concerned over his procedure and practice of immediately notifying the Embassy, naval and military attaches in Mexico City of information developed by him in connection with international matters. I outlined to Mr. Jones the difficulties we have experienced in dealing with the State Department and told him that the State Department would probably protest against a Bureau Agent functioning in a foreign country without the State Department's specific authorization and consent after the State Department had capitalized upon the information we had received.

I emphasized to Mr. Jones that the Director had no criticism for obtaining information of this kind but that he must remember that he was employed by the Bureau and must return to the Bureau all information he received. Mr. Jones stated that in the future he would be guided accordingly.

Respectfully,

E. A. Tamm

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-30-98 BY SP-10/10/10

RECORDED

65-1168-93X

TOLSON

RECORDED COPY FILED IN 64-968-2X

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.
October 4, 1939

EAT:TEB

Time 4:20 p. m.

MEMORANDUM FOR THE FILE

(m)
I called Agent Winton at San Antonio and told him that at 2:25 p. m. the San Antonio News representative in Washington advised that Mr. Jones of the FBI San Antonio Office was enroute to Washington and inquired the purpose of Mr. Jones' trip. I inquired of Mr. Winton just how the San Antonio News knew Mr. Jones was enroute to Washington.

He stated he had called the Airport and there made reservations for Mr. Jones from San Antonio to Washington. At this time he talked to Mr. Little of the Reservations Desk. Mr. Winton stated that a reporter of the Light newspaper checked the reservation list of the Braniff Airways, Inc., in their office, and obtained the information in this manner. The Braniff Airways, Inc., according to Mr. Winton, admits that this is the way the information got out. Mr. Winton stated as soon as he heard the information was known he telephoned the editors of all newspapers in San Antonio and each of the editors promised the matter will receive no publicity.

Mr. Winton stated he had called the Airways and told them he would have to explain this matter to Washington. I instructed Mr. Winton to again call the Airways and tell them that he has been called upon to account all the details in this matter in order that a complaint may be filed with the Civil Aeronautics Authority and endeavor to have the license of the Braniff Airways, Inc. revoked, at least for the transportation of passengers traveling on Government business.

RECORDED & INDEXED

Mr. Winton stated he would submit by letter all details in connection with this matter and would immediately call the Airways advising them of our intention to file a complaint against them with the Aeronautic Authority.

U. S. DEPARTMENT OF JUSTICE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-19-80 BY SP7/SLC/1m

E. A. TAMM

FEDERAL BUREAU OF INVESTIGATION

Form No. 1

THIS CASE ORIGINATED AT

NEW YORK CITY

FILE NO. 65-73

REPORT MADE AT CLEVELAND, OHIO	DATE WHEN MADE 10/4/39	PERIOD FOR WHICH MADE 9/27/39	REPORT MADE BY C. E. SMITH CES:JR
TITLE WILLIAM RHODES DAVIS			CHARACTER OF CASE ESPIONAGE

SYNOPSIS OF FACTS:

WILLIAM RHODES DAVIS or Davis & Co., Inc., not known to officials First National Bank, Salem, Ohio, personally or commercially. Assistant Cashier ORIN A. MARAGON advises bank customer, A. H. RUSSELL, Hanoverton, Ohio, requested a Dun & Bradstreet report on subject and company, and as favor he sent letter to First National Bank, New York City, requesting same. Reply contained clipping from newspaper, apparently New York, October, 1938, to effect Department of Justice investigating Davis & Co. Clipping not available, as turned over to RUSSELL. RUSSELL described as 68 to 70 years of age, retired, descendant of old Hanoverton family. Reputed to be interested in oil wells somewhere in Pennsylvania, and to have resided at one time at Warren, Pa. Maintains checking account - average deposits and withdrawals.

- RUC -

REFERENCE:

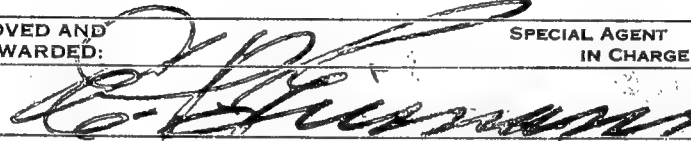
U. S. DEPT. OF JUSTICE

E B I

RECEIVED-HABBO

Teletype from New York office dated September 26, 1939.

OCT 31 15 35 BW 30

APPROVED AND FORWARDED: 	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN THESE SPACES	
		65-1168-95	OCT 10 1939
COPIES OF THIS REPORT		OCT - 7 A.M.	
⑤ - Bureau 4 - New York 2 - Cleveland <i>1 cc Mr. Quinn 11-27-40 g.B.R.</i> <i>4 copies destroyed - 30</i>		 	

65-73

DETAILS: At SALEM, OHIO

Mr. LEON H. COLBY, President, First National Bank, Salem, Ohio, was contacted, and advised that they have had no record of any commercial dealings with WILLIAM RHODES DAVIS or Davis & Co., Inc., further stating that he had never heard of the individual or the company and was certain that they were not in Salem, Ohio.

Mr. COLBY further stated that he was certain Davis & Company was not a brokerage house with which they had done business, inasmuch as Maston & Company of Pittsburgh, the Butler-Wick Company of Salem, Ohio, and the Paine & Weber Company of Cleveland were the only brokerage firms with which they had contact.

An additional check of the commercial accounts, savings accounts, drafts, both foreign and domestic, escrows, loans, collections and travelers checks departments did not reflect any information relative to subject or Davis & Company, Inc.

Mr. COLBY further advised that neither the bank nor any official thereof was acting as depository or custodian of any amount for an individual of the name of DAVIS, or an organization of a similar name.

Mr. C. H. MUSSER, Cashier, likewise advised that he knew of no connections the First National Bank had with anyone by the name of DAVIS, or any company by the name of Davis & Co.

Subsequent to the receipt of this information, Special Agent in Charge E. P. Guinane telephonically contacted the New York office and ascertained that the First National Bank of Salem, Ohio, had on April 13, 1939, written a letter over the signature of Mr. ORIN A. MARAGON, Assistant Cashier, requesting information relative to the credit rating of WILLIAM RHODES DAVIS and Davis & Co., Inc.

Accordingly Mr. MARAGON was contacted, and he advised that he recalled writing the letter at the request of one A. H. RUSSELL of Hanoverton, Ohio, who has an account with the bank, stating that Mr. RUSSELL had appeared at the

65-73

bank and desired a Dun & Bradstreet rating on Davis & Company, Inc., and as a favor to a customer he had written such letter to their representative, the First National Bank in New York City, and upon the receipt of the information from the First National Bank of New York City had informed Mr. RUSSELL of same. He further stated that he recalled the letter contained a clipping, apparently from some New York City newspaper of October, 1938, the date not being recalled, which clipping reflected that Davis & Co., Inc. was then being investigated by the Department of Justice.

Mr. MARAGON stated that he seemed to recall Mr. RUSSELL making the statement that the company had apparently gotten into a mess.

The information received from the First National Bank of New York in regard to the Davis & Co. credit rating was not available, inasmuch as same had been turned over to RUSSELL by Mr. MARAGON.

Continuing, Mr. MARAGON stated that RUSSELL, who was only slightly known to him, was approximately 68 to 70 years of age, and was believed to be retired. He further stated that it was his understanding that Mr. RUSSELL was interested or had an interest in some oil wells located somewhere in Pennsylvania, and had for a period of time resided in Warren, Pennsylvania, he believed, the exact address not known.

Mr. MARAGON further stated that RUSSELL was the descendant of an old family which had lived for many years in the vicinity of Hanoverton, Ohio, which is a small hamlet approximately twelve miles southeast of Salem, Ohio.

Agent was further advised that Mr. RUSSELL maintained a checking account at the bank, which account reflected average deposits and withdrawals, there being nothing unusual in the amounts of the deposits or the withdrawals. In this connection neither Mr. COLBY nor Mr. MARAGON would advise Agent of the balance generally maintained by Mr. RUSSELL, or the size of the deposits and withdrawals, merely stating there was nothing suspicious in the amounts.

65-73

Neither Mr. COLBY nor Mr. MARAGON knew of any trouble RUSSELL had ever been in.

A check of the Salem city directory and reference books in the Salem Public Library failed to reflect any information relative to WILLIAM RHODES DAVIS and Davis & Co., Inc., as having ever resided or conducted business in Salem, Ohio.

At CLEVELAND, OHIO

A check of the records of the Cleveland Retail Credit Men's Company, 500 National City Bank Building, failed to reveal any information relative to WILLIAM RHODES DAVIS or Davis & Co., Inc.

A summary of the above information was furnished to the Bureau and the New York office by teletype dated September 27, 1939.

No further investigation relative to RUSSELL will be conducted by the Cleveland office unless instructions are received to the contrary.

- REFERRED UPON COMPLETION TO THE OFFICE OF ORIGIN -

Federal Bureau of Investigation
United States Department of Justice

CAA:ON
65-1168

Washington, D. C.

October 7, 1939.

MEMORANDUM FOR MR. LADD

Re: WILLIAM RHODES DAVIS;
ESPIONAGE.
Cryptographic Analysis.

The examiners have analyzed the original code cable forwarded by teletype from the New York Office dated October 4th as being sent from Berlin to Davcom, New York, signed Baron (Davis) and the translation of this message presented by Mr. Jones. In this cable appear certain new code words, as well as others previously appearing in the recent cables concerning political matters. By applying the translation furnished by Mr. Jones to these words their present meaning has been reestimated as follows:

Rooster means Goering
Heron means Hitler
Moritz Country means United States of America
Rosefish means English Government or the head
of the English Government

The above are new words. Revised meanings for old words are now estimated to be as follows:

"Arzt", which is translated as "doctor" or "physician" may mean "Doctor Hjalmar Schacht" who is the economic adviser to the Reich Government.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-29-78 BY SP29/uc/DA

"Bidon", previously thought to be "cargo" may mean "ship" or "shipping".

"Expectable", previously thought to be a business code abbreviation is now believed to be the English equivalent of a German expression translated literally merely meaning "to be expected".

The word "Kleie", the translation of which is "Clay" or "moldy earth" may mean "steel".

RECORDED

65-1168-96
FEDERAL BUREAU OF INVESTIGATION

OCT 9 1939

U. S. DEPT. OF JUSTICE

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1 copy destroyed 30
of encl destroyed - 30

believed
file
E.M.

10-7-39

"Luft" translated as "air", may mean "air" or "oil", probably the latter.

"Meyer" now appears to be the code name for Germany.

"Oberin", previously thought to refer to the United States of America, now appears to mean simply "Government".

Copies of the original code cable of October 4th with the code words translated according to the translation of Jones, together with the translation of Jones, are transmitted herewith. In connection with this cable attention is invited to the fact that it is simply addressed "Davcom, New York" and starts immediately with what purports to be a message for the President. This may be an indication of other cables or other communications between Davis in Rome or Berlin and his secretary, Hertzlet, or Jones. Of course, such communications might be by telephone but attention is also invited to the statement of Mr. Jones appended to the translation which he gives wherein he states "Mr. Davis also cabled that the German Foreign Minister has no knowledge of this situation". In this connection attention is also invited to a dispatch in the Washington Star for October 6th dated Copenhagen in which is related that Dr. Schacht, economic adviser to the Reich Government, has already drawn up details of a plan under Hitler's orders in which Scandinavian countries are invited to send representatives to Berlin to discuss new trade agreements whereby the Reich would accept the balance of trade which its blockade prevents neutrals from sending to England and would arrange for transit to the Mediterranean of goods which it could not consume itself. This newspaper clipping is attached hereto.

There are also transmitted herewith a complete list of the revised code words and copies of the cables transmitted with the memorandum of October 2nd giving the new meanings for the code words.

Respectfully,

E. P. Coffey
E. P. Coffey.

Federal Bureau of Investigation
United States Department of Justice

JBL:NB
65-128

New York, N.Y.

October 6, 1939

Director
Federal Bureau of Investigation
Washington, D. C.

RE: WILLIAM RHODES DAVIS⁰
ESPIONAGE

Dear Sir:

In confirmation of teletype to the Bureau today,
there is transmitted herewith a photostatic copy of a code nightletter
Radiogram dated October 4, 1939, sent via RCA Communications, Inc.,
to W. R. DAVIS & CO. (DAVCOM), New York City from Berlin, Germany,
signed "Baron."

Very truly yours,

P. E. Foxworth
P. E. FOXWORTH,
Special Agent in Charge

Encl.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-29-98 BY SP2 a/c/c/m

SPECIAL DELIVERY

RECORDED

65-1168-97

FEDERAL BUREAU OF INVESTIGATION
OCT 9 1939
U. S. DEPARTMENT OF JUSTICE

Copy and Specimens Retained in Laboratory
10-10-29

ENCL. C
IR 6

Federal Bureau of Investigation
United States Department of Justice

Washington, D. C.

October 5, 1939

EAT:LCJ

6:38 P.M.

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS;
ESPIONAGE

I called Special Agent Stevens at New York and advised him that Davis is supposed to have sent a telegram from Berlin via R.C.A. on October 4, 1939, addressed to DAFCOM, New York. I advised him that the following designations appear across the top of the radiogram: DGGMJ BERLIN 1637; a line or two below that, 215-3-2330-1/50; under the date, RX8 and NLT, probably meaning "night letter"; then the address, DAFCOM, New York. I advised him that the radiogram is signed "W. R. Davis".

I requested Agent Stevens to obtain a transcript of the original telegram and have it sent to us by teletype the first thing tomorrow morning. I advised him that the telegram was supposedly sent in code, and that we have a translation of it; that if we can get the original code message it may be possible to break the code.

Agent Stevens advised that the telegram will be forwarded by teletype as soon as possible tomorrow morning.

E. A. Tamm

RECORDED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-29-71 BY SP-10/dec/mu

65-1168-98	
FEDERAL BUREAU OF INVESTIGATION	
OCT 9 1939	
U. S. DEPARTMENT OF JUSTICE	
FILES	LABOR
715	TWO

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:JJW

October 5, 1939

MEMORANDUM FOR THE DIRECTOR

While talking to Special Agent in Charge Gus T. Jones about various matters, I advised him of the Bureau's desire that his confidential informant in the telephone company be made accessible to some other Agent in the San Antonio office and the reasons why the Bureau desired that this be done.

Mr. Jones stated that he has already arranged for Agent F. J. Lackey to contact and become acquainted with this informant in order that information from this informant might reach the Bureau even in the absence of Mr. Jones from San Antonio.

Respectfully,

E. A. Tamm

RECORDED
&
INDEXED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-29-98 BY SP-6/alc/mt

65-1167-98X

WOLSON

TWP

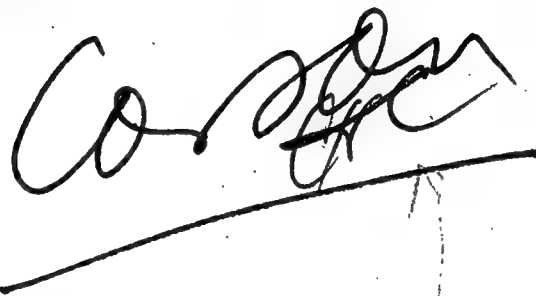
RECORDED COPY FILED IN 65-1167-98X

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

October 6, 1939

Time: 9:40 a.m.



MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS
ESPIONAGE

I called SAC Hottel of the Washington Field and was informed that Agent Gerdes, who is presently in New York on subpoena, previously contacted the State Department with reference to obtaining the file on Walter A. Jones.

I informed Mr. Hottel that Jones' file is presently in the office of Mr. Berle, one of the Assistant Secretaries, and that it is desired that an Agent that would make a good impression examine this file in Mr. Berle's office this morning. Mr. Hottel stated that Agent Pryor would be available after ten o'clock. I told him I would inform Mr. Berle that an Agent would be in his office after eleven o'clock this morning.

E. A. TAMM

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-29-98 BY SP1 a/c/nn

RECORDED
&
INDEXED

65-1168-99

FEDERAL BUREAU OF INVESTIGATION
OCT 9 1939
U. S. DEPARTMENT OF JUSTICE

FILED
SEARCHED
SERIALIZED
INDEXED

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

October 5, 1939

Time: 10:20 a.m.

MEMORANDUM FOR THE FILE

K
I called Agent Winton at San Antonio and informed him that according to the Aviation Directory the headquarters of the Braniff Airlines is in Oklahoma City, and requested him to forward the details regarding the information given out about SAC Jones to SAC Andersen at Oklahoma City for the purpose of having Andersen call on the president of this airplane company and protesting vigorously at such action. I instructed Mr. Winton to have Mr. Andersen state that the Bureau is going to file a formal protest with the Civil Aeronautics Authority in Washington.

William R. H. Davis
Mr. Winton stated he had contacted the San Antonio authorities of the Braniff Airlines yesterday and was contemplating seeing them again today. I cautioned him not to say anything that would put them on notice that Mr. Andersen is going to contact the headquarters in Oklahoma City.

E. A. TAMM

RECORDED
&
INDEXED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/21/98 BY SP2 a/cic/mh

65-1168-100
FEDERAL BUREAU OF INVESTIGATION
OCT 6 1939
U. S. DEPARTMENT OF JUSTICE
FILES
TWO

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:JJW

October 5, 1939

MEMORANDUM FOR THE DIRECTOR

At 5:20 P.M. General Watson, Secretary to the President, called me and requested that I proceed to the White House for a conference at once. On arrival, General Watson stated that Walter A. Jones had left at the White House a note indicating that W. R. Davis had sent a cablegram in private code from Berlin to his office in New York and that the contents of this cablegram had been released to Jones. Davis was returning to the United States and would arrive on the Pan-American Clipper on Monday morning, October 9.

General Watson indicated that the President was interested in this situation a great deal but at the same time had to exercise great caution in order that he would not be subject to ridicule or embarrassment, that he was not placing too much confidence in Davis' story which General Watson stated was most outlandish unless it turned out to be true.

RECORDED & INDEXED

During the course of the conversation, Assistant Secretary of State Berle arrived at General Watson's office and entered the discussion of this situation. I suggested to General Watson that if it were possible to obtain from Jones the translation of the cablegram which Davis had sent, I was confident the Bureau could obtain the original coded message received by Davis' office in New York City and that of course having the coded message and a decoded message would facilitate the Bureau's efforts to break down completely the code being used by Davis in his communications to his office. General Watson stated that he would endeavor to obtain a translation of the cablegram from Jones and subsequently while I was discussing this situation with the President, General Watson entered the President's office and furnished two copies of what purported to be a cablegram sent by Davis on October 4 to his office in New York City. Copies of this cablegram are attached hereto but it may be noted briefly that Davis indicates that Hitler's

1 ENCL D

(M)

TOLSON
TAMM

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-24-88 BY SP2 a/ELC/TH

October 5, 1939

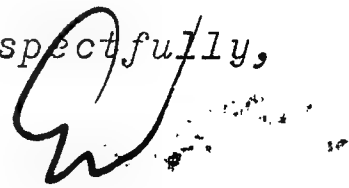
speech of October 6 is not to be taken verbatim because the German leaders have definite plans for peace negotiations and that President Roosevelt will be expected to be the arbiter and leader in such peace discussions. Davis cautions the President against making any comment which would commit himself or the Government of the United States on the Hitler speech until Davis had an opportunity to talk to the President and also requests the President to endeavor to influence the British Government from making statements from which it will be difficult to deviate therefrom.

During the general discussion of this case, General Watson indicated that the President desired to see me and I was accordingly presented to the President and advised him briefly of the developments in this situation. During the course of the discussion, Mr. Berle and later General Watson participated in the conversation, it appearing that Berle, after the discussion had started, had arranged for General Watson to obtain and bring to the President the letter which you recently transmitted to Mr. Berle together with a memorandum of the facts in this case to date. It was my impression that Berle had transmitted this material to Watson but that Watson had not yet made it available to the President.

The President indicated that he was very much interested in this situation but that he, of course, had to be very cautious in order that he would not be placed in a position of being a party to any hoax and that he was afraid that Davis was attempting to appeal to his (the President's) vanity in an effort to promote some questionable scheme. The President stated that as a matter of fact, he, of course, would not make any comment upon Hitler's speech.

I informed the President that you were presently supervising the investigation of this case and had, as a matter of fact, recently gone to New York to carry on certain work in connection with the case. I assured the President that this matter would receive preferred and continuous attention under your personal direction until the matter had been completed.

Respectfully,



E. A. Tamm

WALTER A. JONES
HOTEL MAYFLOWER
WASHINGTON, D. C.

October 5, 1939

My dear Mr. President:

I received last night a cable from Mr. Davis which came from him at Berlin by private code to his office in New York and relayed to me through his private secretary.

He is now on his way back and is expected to arrive by Clipper in New York on Monday, the 9th. The cable refers to several conversations with Gen. Goering and others. Hitler's speech Friday will state definitely the German position but the terms of settlement of the war will be different than those discussed with Gen. Goering and his group. I take this to mean that they are not agreeing with Hitler's position. He, Davis, is very emphatic in his reference to the statements of Gen. Goering and other Germans that you are the only person that can bring about a settlement. He is bringing private confidential messages to you on this subject. His cable also indicates that Hitler's speech should not be taken at its face until the full facts are known.

I am transmitting the above with the hope that it may be useful to you.

Very respectfully,



The Honorable
The President
White House
Washington, D. C.

RADIOGRAM

CLASS OF SERVICE DESIRED	
FOREIGN	DOMESTIC
FULL RATE	FULL RATE
URGENT	DAY LETTER
DEFERRED	NIGHT MESSAGE
RADIO-LETTER	NIGHT LETTER



Via RCA

WORLD
WIDE
WIRELESS

Via RCA



R.C.A. COMMUNICATIONS, INC.

A RADIO CORPORATION OF AMERICA SUBSIDIARY

NO.	CASH OR CHG.
CHECK	
TIME FILLED	

Send the following Radiogram *"Via RCA"* subject to terms on back hereof, which are hereby agreed to

DGCMJ BERLIN 1637

C O P Y

October 4, 1939

RX 8

215 3 2330 1/50

NLT DAVCOM NEWYORK

FINAL MEETING TODAY WITH GOERING AND OTHERS STOP HITLER SPEAKING FRIDAY AS
ANNOUNCED WILL STATE DEFINITELY GERMAN GOVERNMENTS POSITION ALTHOUGH TERMS OF
SETTLEMENT OF WAR WILL BE CONTRARY TO THOSE WHICH HAVE BEEN DISCUSSED THOROUGHLY
IN THREE MEETING DAYS HERE STOP SUGGEST FOR THE GOOD OF THE SITUATION THAT NO
PREJUDICIAL STATEMENT BE GIVEN OUT PRIOR TO RECEIPT OF FACTS AND BACKGROUND WITH
PERSONAL AND PRIVATE MESSAGES WHICH HAVE BEEN ENTRUSTED IN ME TO CONVEY TO YOU
FROM PARTIES HERE WHO HAVE FULL AND COMPLETE CONFIDENCE IN YOU AS ONE OF THE GREAT
MEN OF THIS AGE AND AS THE ONLY PERSON WHO CAN RENDER THE SERVICE TO HUMANITY IN
THE PRESENT CONFLICT STOP IT IS FOR THIS REASON REQUESTED THAT YOU AND MEMBERS
OF YOUR GOVERNMENT WITHHOLD FROM THE PUBLIC YOUR VIEWS IN CONNECTION WITH FRIDAYS
STATEMENT BY HITLER STOP ALSO BELIEVE TO YOUR INTEREST AND THAT OF THE UNITED
STATES THAT YOU USE YOUR BEST EFFORTS TO PREVENT ANY STATEMENT BY THE ENGLISH
GOVERNMENT THAT MAY COMMIT THEM TO THE PUBLIC UNTIL I HAVE HAD THE OPPORTUNITY TO
DELIVER TO YOU FACTS THAT MUST BE WITHHELD FROM THE PUBLIC UNTIL SUCH TIME AS YOU
HAVE DECIDED UPON THE PLANS THAT YOU MAY DESIRE TO INAUGURATE STOP REASONS BEING
YOU HAVE BEEN UNANIMOUSLY AGREED UPON TO DECIDE THE FUTURE OF OUR PRESENT CIVILIZATION
STOP ARRIVING NEWYORK CLIPPER MONDAY 9TH STOP YOUR VIEWS ACCEPTED HERE IN THEIR
ENTIRETY CONGRATULATIONS

W R DAVIS

**Federal Bureau of Investigation
United States Department of Justice**

New York, New York

EFM:LP
65-128

SPECIAL DELIVERY

October 7, 1939

~~PERSONAL AND
CONFIDENTIAL~~

Director
Federal Bureau of Investigation
Washington, D. C.

Re: WILLIAM RHODES DAVIS.
ESPIONAGE.

Dear Sir:

Reference is made to Bureau letter dated September 22, 1939 in the above entitled case, wherein it was requested that a discreet and guarded physical surveillance be made of Miss ERNA FRIEDA WEHRLE, secretary of subject.

Please be advised that on September 23, 1939, a physical surveillance was instituted upon Miss WEHRLE and the same has been in effect since that time.

It is to be noted that during this surveillance, Miss WEHRLE has been most regular in her habits, usually departing from her apartment house located at 30 East 68th Street, New York City at approximately 8:50 a.m. and proceeding to her place of employment, DAVIS & CO., located at 30 Rockefeller Plaza, New York City. Miss WEHRLE generally departs from Rockefeller Plaza between 5:30 and 6:00 p.m. and proceeds to Kirby Allen Restaurant located one block from her apartment.

On two occasions Miss WEHRLE has attended theatres and has returned directly to her apartment house upon the conclusion of the same.

RECORDED & INDEXED

Please be further advised that this surveillance will be maintained until advised to the contrary by the Bureau, and the Bureau will be immediately advised if any unusual activities are noted concerning Miss WEHRLE.

Very truly yours,

P. E. FOXWORTH
Special Agent in Charge

Mr. Tolson.....
Mr. Nathan.....
Mr. E. A. Tamm.....
Mr. Clegg.....
Mr. Ladd.....
Mr. Coffey.....
Mr. Egan.....
Mr. Glavin.....
Mr. Crowl.....
Mr. Harbo.....
Mr. Lester.....
Mr. Hendon.....
Mr. Nichols.....
Mr. Rosen.....
Mr. Sears.....
Mr. Quinn Tamm.....
Mr. Tracy.....
Miss Gandy.....

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF DeLass
DATE 5-2-78 Bgr

DECLASSIFIED BY 2909 DJS/ll
ON 4-11-78

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

October 8, 1939

Time: 12:30 p.m.

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES⁰ DAVIS;
ESPIONAGE

SAC Foxworth called to advise that Erna F. Wehrle received a telephone call between ten and eleven o'clock this morning evidently from Mrs. Davis.

Ze
A
W
Mrs. Davis stated she had received a wire from Davis at Lisbon, Portugal, wanting to know if "Pam" would be in Washington, D. C. on Monday. She stated that the code book did not list a "Pam". It was suggested by Miss Wehrle that the name possibly might mean Mr. Lewis, who is expected in New York City Monday morning, and whose name is listed in the code book as "Dong" or "Dung". She also suggested the person might be the man at the White House. Mrs. Davis said she was checking with Western Union to see if there was an error in sending the message.

Mrs. Davis also stated that Davis would be in on the clipper arriving about noon tomorrow; that she was going to Port Washington two hours in advance with extra clothing so that if Davis desired to go directly to Washington, he would not have to go by home. Miss Wehrle told Mrs. Davis not to permit Davis to talk to any of the press representatives until after she, Miss Wehrle, had spoken to him, as there was a rumor in the State Department that he had made the trip. She stated she had received the information about the rumor from Marquis Childs, a reporter for the St. Louis Post-Dispatch in Washington, D. C.

I requested Mr. Foxworth to send the above information to the Bureau by teletype so that we would have something to send to the State Department first thing in the morning.

RECORDED & INDEXED

E. TAMM

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12-1-98 BY SP-1/173

65-1168-102
FEDERAL BUREAU OF INVESTIGATION
OCT 10 1939
U. S. DEPARTMENT OF JUSTICE
FILES

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 9, 1939

EAT:LCJ

9:55 A.M.

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS -
ESPIONAGE

I called SAC Foxworth at New York and advised him that the State Department notified me this morning that Davis had appeared at Lisbon with a prominent German and tried to smuggle him to this country under a false name, and that they would not let the German come through. I advised him that the State Department feels that the most important part of this inquiry will be the contacts Davis will make after he gets to this country to try to bring pressure to bear to let him bring this German over; that for this reason they are very much interested in knowing whom Davis contacts and where he goes. I advised Mr. Foxworth that I want him to know this because it adds some importance to the surveillance that will be kept on Davis.

In reply to my question, Mr. Foxworth advised that he has some very good men on the surveillance.

I inquired whether they are maintaining a tap on the telephone at Davis' residence, and Mr. Foxworth advised that they are not; that the message he sent to us yesterday was received through the tap on Mrs. Wehrle's telephone. He stated that they expect to get the original of the telegram this morning, and that it will be sent to the Bureau by teletype just as soon as it is located.

I suggested that it would be well to try to put a tap on the telephone at Davis' residence. I advised him that it may be necessary to tie up a good many men on this case within the next few days, but that it will probably be completed within a short time.

E. A. Tamm

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 9/29/85 BY SP7/CLK/HAM

RECORDED
65-1168-103
FEDERAL BUREAU OF INVESTIGATION
OCT 10 1939
U. S. DEPARTMENT OF JUSTICE

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 5, 1939

EAT:LCJ

5:23 P.M.

MEMORANDUM FOR THE FILE

ms.
Brigadier General Watson called from
the White House and requested that I call on him
at his office in the White House, stating that
he has a very important matter which the President
wanted him to discuss with the Director.

I advised the General that I would be
there immediately.

E. A. Tamm
E. A. Tamm

William Charles Johnson
ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/29/98 BY SP-1

RECORDED
&
INDEXED

65-1168-104
FEDERAL BUREAU OF INVESTIGATION
OCT 6 1939
U. S. DEPARTMENT OF JUSTICE
FILES

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 5, 1939

EAT:LCJ

6:20 P.M.

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS;
ESPIONAGE

I called Special Agent Williams at Des Moines and inquired whether that office has an agent in the vicinity of Cedar Rapids, Iowa. Agent Williams advised that they do not have an agent at Cedar Rapids, but that there is one at Davenport, Iowa, about sixty miles from there. I then asked him whether it would be possible to get in touch with this agent and have him be at Cedar Rapids by 9:30 tonight. Mr. Williams advised that he will call this agent, and that if he cannot get in touch with him it would be possible to send a man from the Des Moines Office so that he could reach there by that time.

I advised Agent Williams that Mr. Hoover is on the "City of San Francisco", which goes through Cedar Rapids at 9:35 P.M.; that he is in car number N-125, room L.

I requested Mr. Williams to have a note typed to be delivered to Mr. Hoover at that time, to the effect that I called and wanted him advised that the President sent for me tonight to indicate that he is very much interested in the W. R. Davis matter; that I told the President that the Director is giving it his personal attention and has been in New York recently in connection with this case. That the President then turned over to me a copy of a telegram which Jones had received from Davis in Berlin indicating that Davis would be back in New York on Monday, October 9 and that he has important information for the President. I told him to advise Mr. Hoover that I informed the President that the matter is receiving preferred attention under the Director's personal supervision; and that the President did not want anything further.

RECORDED
&
INDEXED

E. A. Tamm

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/29/98 BY SP1/CLC/173

65-1168-105
FEDERAL BUREAU OF INVESTIGATION
OCT 9 1939
U. S. DEPARTMENT OF JUSTICE
FILES PER FILES

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:COH

Time: 12:05 p.m.

October 10, 1939

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS
ESPIONAGE

SAC Foxworth called from New York with respect to Davis' having canceled his airplane reservations.

It has now been learned that Davis has made reservations in the name of Werley for Drawing Room "A" on the 3:30 Pennsylvania train, No. 155 (?), car No. 551. Mr. Foxworth stated he will have two Agents follow Davis down.

E. A. TAMM

12:20 P. M. 10/10/39

This information was transmitted to Mr. Berle of the State Department.

EAT

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/24/98 BY SP7 a/c/c/nm

RECORDED
&
INDEXED

65-1168-106

INDEXED

10-10-39

U. S. DEPT. OF JUSTICE

FILES

mf/ra

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 9, 1939

EAT:LCJ

6:55 P.M.

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS;
ESPIONAGE

K
While in telephonic communication with Assistant SAC Donegan at New York, Mr. Donegan advised that there is an article in tonight's World Telegram by John C. Whitaker. He stated that this article is dated October 9 and is from Rome, and briefly says that Davis has consummated a deal in Germany for some oil; that it describes his trip and states that he was leaving Lisbon.

Mr. Donegan advised that the New York Office has been checking on Davis today; that he left the Clipper and went over to his office, where he remained until about five o'clock, when he went to his home. He stated that Davis apparently intends to stay at home tonight; that he evidently will not come to Washington tonight as anticipated.

Mr. Donegan stated that the Davis home is a very difficult place to cover, due to the fact that there is considerable ground around the house. He advised that agents are watching the house, but that he intends to call them off because of the danger of being detected. He stated that intended to take up the surveillance again tomorrow morning in order to see what Davis does tomorrow.

I advised Mr. Donegan to keep the surveillance tonight if at all possible, until after it is too late for Davis to get a midnight train or any other transportation to Washington; that we would hate to have him drop in at the State Department tomorrow without our announcing it.

E. A. Tamm

RECORDED
&
INDEXED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-29-98 BY SP/alc/mj

65-1168-107
FEDERAL BUREAU OF INVESTIGATION
OCT 10 1939
U. S. DEPARTMENT OF JUSTICE
FILED
TWO

Federal Bureau of Investigation
United States Department of Justice
Philadelphia Pennsylvania

October 9, 1939.

Mr. Tolson	_____
Mr. Nathan	_____
Mr. E. A. Tamm	_____
Mr. Clegg	_____
Mr. Ladd	_____
Mr. Coffey	_____
Mr. Egan	_____
Mr. Glavin	_____
Mr. Crowl	_____
Mr. Harbo	_____
Mr. Lester	_____
Mr. Hendon	_____
Mr. Nichols	_____
Mr. Rosen	_____
Mr. Sears	_____
Mr. Quinn Tamm	_____
Mr. Tracy	_____
Miss Gandy	_____

Director,
Federal Bureau of Investigation,
Washington, D. C.

RE: WALTER A. JONES -
Information Concerning

Dear Sir:

Reference is made to my letter dated September 24, 1939, in the above-entitled matter, advising you that Confidential Informant "A", of the Philadelphia Field Division, who furnished information concerning the above-entitled individual, is [redacted]

Please be advised that [redacted]

[redacted] and at the present time is acting as a free lance agent, possibly for the Republican Party in the State of Pennsylvania, preparing material for the 1940 National campaign. He informed that he expected to be reinstated in the Associated Press. He was formerly with the Associated Press before he became [redacted] of the

[redacted] He stated the reason for his resignation was that during recent months, he has been carrying on a campaign against the slums, firetraps, and underworld conditions generally at Harrisburg, and a prominent individual, who owns considerable real estate, told him that he would bring pressure to have him discharged. He refused to reveal the name of this prominent individual at Harrisburg; however, he stated that the individual accomplished his threat, as he was forced to resign on September 25, 1939.

Very truly yours,

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Declass.
DATE 5-2-78 BGP

PAM:BC
62-1406

H. B. FLETCHER,
Special Agent in Charge

DECLASSIFIED BY 2909
ON 4-11-78

RECORDED

INDEXED

65-1168-108

FAMM

HENDON

FOIA(b)(7) - (D)
RECORDED COPY FILED IN 66-2542-4206

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 10, 1939

EAT:LCJ

10:37 A.M.

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS;

ESPIONAGE

I called SAC Hottel at the Washington Field Office and advised him that Davis is coming to Washington today; that he is leaving New York at Noon on an Eastern Airlines 'plane and will arrive in Washington at 1:20 P.M. I advised him that Agent Rice of the New York Office will be on the 'plane.

I advised Mr. Hottel to have two good agents conduct a surveillance; that we are primarily interested in knowing whom Davis contacts and where he goes. I informed him that Davis will try to see the President this afternoon, but that the President will not see him and he will be referred to Mr. Berle of the State Department; that we are very interested in knowing whether he will see John L. Lewis, Walter A. Jones at the Mayflower Hotel, Senator Guffey, and others.

E. A. Tamm
E. A. Tamm

RECORDED
&
INDEXED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4-29-98 BY SP2 aldc/m

65-1168-109
FEDERAL BUREAU OF INVESTIGATION
OCT 11 1939
U. S. DEPARTMENT OF JUSTICE

FILES
EX-109

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 6, 1939

EAT:LCJ

5:50 P.M.

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS;
ESPIONAGE

9
I called Mr. Berle of the State Department and advised him that Davis is scheduled to arrive Monday on the Clipper, and asked his opinion as to whether we should put Davis under surveillance upon arrival or whether it would be more advisable to leave him alone. I advised Mr. Berle that Davis will probably receive word within a short time after his arrival that we have been making inquiries about him; that I am particularly afraid that this word might come from some of the banks in Boston with which he has done business.

Mr. Berle advised that it would be very interesting to know whom Davis contacts, but that he will leave the question entirely up to my judgment.

I suggested that we could put a loose surveillance on Davis, dropping it immediately if he indicates that he is the least bit suspicious; that in the meantime we might get some information as to where he is going and what he is doing.

Mr. Berle stated that he thinks this would be very satisfactory. He stated that it is his opinion that Davis will in all probability will come to Washington immediately upon his arrival and will try to tell a story, which may be true and may not be.

I advised Mr. Berle that we will put a cautious surveillance on this individual, and if it appears advisable to drop the surveillance we will do so.

E. A. Tamm

RECORDED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/29/98 BY SA elc/ma

65-1168-110
FEDERAL BUREAU OF INVESTIGATION
OCT 11 1939
U. S. DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

[OCT - 6 1939] (u)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED EXCEPT
WHERE SHOWN OTHERWISE

TELETYPE

[DECODED COPY] (u)

FBI NEW YORK CITY

[10-6-39] (u)

11-40 AM

ERL

Classified by 2909 DPT/df
Exempt from GDS Category 2
Date of Declassification Indefinite
4-12-78

DIRECTOR

WILLIAM RHODES DAVIS ESPIONAGE. IN ACCORDANCE WITH BUREAU TELEPHONIC
REQUEST YESTERDAY, FOLLOWING MESSAGE OBTAINED THROUGH RCA COMMUNICATION
INC. DECLASSIFIED BY SPICK/EL
ON 5-8-00

DGGMJ BERLIN 1637

215 3 2330 1/50

NLT DAVCOM NEWYORK

FINAL MEETING TODAY WITH ROOSTER AND OTHERS STOP HERON SPEAKING FRIDAY
AS ANNOUNCED WILL STATE DEFINITELY MEYERS POSITION ALTHOUGH TERMS OF
CONTRARY OF ESPE OF WHICH HAS BEEN DISCUSSED THOROUGHLY IN THREE MEETING
DAYS HERE STOP SUGGEST FOR THE GOOD ELIMINATION PREJUDICE STATEMENT PRIOR
TO FACT AND BACKGROUNDS WITH PERSONAL AND PRIVATE MESSAGES AND TRUSTED
TO ME TO CONVEY TO YOU AND REQUEST OF YOU BY PARTIES HERE WHO HAVE FULL
AND COMPLETE CONFIDENCE IN AS ONE OF THE GREAT PERSONAS IN THIS AGE AND
THE ONLY PERSON WHO CAN RENDER THE SERVICE TO HUMANITY IN THE PRESENT
CONFLICT THAT YOU AND MEMBERS OF YOUR OBERIN WITHHOLD FROM THE PUBLIC
YOUR VIEWS IN CONNECTION WITH FRIDAYS STATEMENT BY HERON ALSO BELIEVE
TO YOUR INTEREST AND THAT OF MORITZCOUNTRY THAT YOU USE YOUR BEST EFFORTS
TO PREVENT ANY STATEMENT BY THE ROSEFISH THAT MAY COMMIT THEM TO THE
PUBLIC UNTIL I HAVE HAD THE OPPORTUNITY TO DELIVER TO YOU FACTS THAT
MUST BE WITHHELD

RECEIVED
OCT 4 39
EX 8

OCT 4 39

EX 8

INDEXED

65-1168-1104

FEDERAL BUREAU OF INVESTIGATION

[OCT 10 1939] (u)

CLASSIFIED BY 507 alca/ln
DECLASSIFY ON 25X 2 4-12-78

~~CONFIDENTIAL~~

PAGE TWO

FROM THE PUBLIC UNTIL SUCH TIME AS YOU HAVE DECIDED UPON THE PLANS
THAT YOU MAY DESIRE TO INAUGURATE STOP REASONS BEEN YOU UNANIMOUSLY
AGREED UPON TO DECIDE THE FUTURE OF OUR PRESENT CIVILISATION
STOP ARRIVING NEWYORK CLIPPER MONDAY 9 STOP YOURS VIEWS ACCEPTED
HERE IN THEIR ENTIRETY CONGRATULATIONS

(X) BARON

ADVISE WHETHER SURVEILLANCE SUBJECT DESIRED UPON ARRIVAL MONDAY 4

FOXWORTH (u)

ACK AND HOLD

OK FBI WASH DC WHM

~~CONFIDENTIAL~~

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

EAT:DM

October 9, 1939

MEMORANDUM FOR THE FILE

On Sunday, October 8th, I instructed Mr. Foxworth to maintain a careful surveillance of William R. Davis upon his arrival from Europe on the Pan American Clipper, with particular emphasis on the necessity for obtaining information concerning the identity of persons whom Davis might contact.

EDWARD A. TAMM

RECORDED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 9/29/98 BY SP7 EJK/ma

65-1168-111
FEDERAL BUREAU OF INVESTIGATION
OCT 11 1939
U. S. DEPARTMENT OF JUSTICE

DEPARTMENT OF STATE

Washington
October 9, 1939

My dear Mr. Hoover:

Let me acknowledge, with thanks, your communication of October 7th regarding Japanese activities in Mexico, with particular reference to the American Export Company of South America. I am obliged to you for your courtesy in transmitting this information, which I note has also been transmitted to the Director of Naval Intelligence, at the Navy Department, and to the Assistant Chief of Staff, G-2, War Department.

With appreciation, I am

Very truly yours,

(S) A. A. Berle, Jr.

The Honorable
John Edgar Hoover,
Director, Federal Bureau
of Investigation,
Department of Justice.

RECORDED

65-1168-112

FEDERAL BUREAU OF INVESTIGATION

OCT 11 1939

U. S. DEPT. OF JUSTICE

MAILED

FILED

ORIGINAL FILED IN 54-815-4

DEPARTMENT OF STATE

Washington
October 9, 1939

My dear Mr. Hoover:

Permit me to acknowledge, with thanks, your communication of October 7th with particular reference to the activities of the German ships blockaded in Mexican Gulf ports; and to the activities of the Centralamer Company, of Mexico City. I note that this information has likewise been transmitted to the Director of Naval Intelligence, Navy Department, and to the Assistant Chief of Staff, G-2, War Department.

With appreciation of your courtesy, I am

Very truly yours,

(S) A. A. Berle, Jr.

The Honorable,
John Edgar Hoover,
Director, Federal Bureau
of Investigation,
Department of Justice.

RECORDED

65-1168-113

FEDERAL BUREAU OF INVESTIGATION
OCT 11 1939
U. S. DEPARTMENT OF JUSTICE

TAMM
T. H. C.

ORIGINAL FILED IN 54-815-3

LIB:MK
65-1168

October 7, 1939

Colonel E. R. Warner McCabe
Assistant Chief of Staff
G-2
War Department
Washington, D. C.

RECORDED

65-1168-114
FEDERAL BUREAU OF INVESTIGATION
OCT 11 1939
U. S. DEPARTMENT OF JUSTICE

Dear Colonel McCabe:

I am in receipt of information from a confidential source concerning Japanese activities in Mexico, and particularly in reference to the American Export Company of South America, located at 33 Isabel de Catolica Street, 501-2, Mexico City, which has recently been organized by A. Z. Phillips, a Polish Jew who has become a naturalized Mexican citizen, and Alexander Kleyff, a German Jew.

Associated with these individuals are Mexican Senator Jose Maria Davilla and another Mexican Senator whose name is unknown at this time. This company is working in conjunction with a Japanese agent located at Rinconada de San Diego, Mexico City. The American Export Company is reported at the present time to be shipping gasoline, oil, and kerosene to Japan in exchange for soy beans and raw silk.

The company has one boat at this time, a vessel until recently operated under a British charter, but which is now under the charter of the American Export Company. Cargoes are taken on at Mexican gulf ports as a rule. However, recently it is reported that the company was unable to complete a cargo of oil at Tampico, and was compelled to complete the cargo of oil from the Eastern States Refinery Company at Houston, Texas. This latter company has a contract with the Mexican Government to purchase and refine Mexican oil, and in at the present time attempting to obtain large contracts with Japan through the Japanese agent above mentioned, and if successful will charter a number of tankers for this service.

It will also be noted that A. Z. Phillips is connected with the Centralamer Company, concerning which I am furnishing you information under separate cover.

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF Dec 14 53
DATE 5-2-78 1997

DECLASSIFIED BY 2909
ON 4-11-78 IRJ/df

ORIGINAL FILED IN

Colonel McCabe

- 2 -

October 7, 1939

It is believed that this concern may be used in an effort to circumvent the neutrality laws in making shipments to belligerent countries.

I shall be glad to furnish you with any additional information coming to the attention of this Bureau from time to time.

The above facts have also been furnished to

Rear Admiral Walter S. Anderson, Director of Naval Intelligence, Navy Department, Washington, D. C. and to Honorable Adolf A. Berle, Jr., Assistant Secretary of State, Washington, D. C.

Sincerely yours,

John Edgar Hoover
Director

~~PERSONAL AND CONFIDENTIAL~~

BY SPECIAL MESSENGER

LIB:MK
65-1168

October 7, 1939

Honorable Adolf A. Berle, Jr.
Assistant Secretary of State
Washington, D. C.

My dear Mr. Secretary:

I am in receipt of information from a confidential source concerning Japanese activities in Mexico, and particularly in reference to the American Export Company of South America, located at 33 Isabel de Catolica Street, 501-2, Mexico City, which has recently been organized by A. Z. Phillips, a Polish Jew who has become a naturalized Mexican citizen, and Alexander Kleyff, a German Jew.

Associated with these individuals are Mexican Senator Jose Maria Davila and another Mexican Senator whose name is unknown at this time. This company is working in conjunction with a Japanese Agent located at Rinconada de San Diego, Mexico City. The American Export Company is reported at the present time to be shipping gasoline, oil and kerosene to Japan in exchange for soy beans and raw silk.

The company has one boat at this time, a vessel until recently operated under a British charter, but which is now under the charter of the American Export Company. Cargoes are taken on at Mexican gulf ports as a rule. However, recently it is report the company was unable to complete a cargo of oil at Tampico, and was compelled to complete the cargo of oil from the Eastern States Refinery Company at Houston, Texas. This latter company has a contract with the Mexican Government to purchase and refine Mexican oil, and is at the present time attempting to obtain large contracts with Japan through the Japanese agent above mentioned, and if successful will charter a number of tankers for this service.

It will also be noted that A. Z. Phillips is connected with the Centralamer Company, concerning which the Bureau of Investigation is furnishing you information under separate cover.

DECLASSIFIED BY 2909
ON 4-11-78 DPS/df

65-1168-115

BUREAU OF INVESTIGATION

OCT 11 1939

U. S. DEPT. OF JUSTICE

ORIGINAL FILED IN 65-1168-115

APPROPRIATE AGENCIES
AND FIELD OFFICES
ADVISED BY ROUTING
SLIP(S) OF
DATE 5-2-78 BCP

Honorable
Adolf A. Berle, Jr.

- 2 -

October 7, 1939

It is believed that this concern may be used in an effort to circumvent the neutrality laws in making shipments to belligerent countries.

I shall be glad to furnish you with any additional information coming to the attention of this Bureau from time to time.

The above facts have also been furnished to Rear Admiral Walter S. Anderson, Director of Naval Intelligence, Navy Department, Washington, D. C., and to Colonel E. R. Warner McCabe, Assistant Chief of Staff, G-2, War Department, Washington, D. C.

Sincerely yours,

John Edgar Hoover
Director

BY SPECIAL MESSENGER

~~PERSONAL AND CONFIDENTIAL~~

LIB:MK
65-1168

October 7, 1939

Rear Admiral Walter S. Anderson
Director, Naval Intelligence
Navy Department
Washington, D. C.

My dear Admiral:

I am in receipt of information from a confidential source concerning Japanese activities in Mexico, and particularly in reference to the American Export Company of South America, located at 33 Isabel de Catolica Street, 501-2, Mexico City, which has recently been organized by A. Z. Phillips, a Polish Jew who has become a naturalized Mexican citizen, and Alexander Kleyff, a German Jew.

Associated with these individuals are Mexican Senator Jose Maria Davila and another Mexican Senator whose name is unknown at this time. This company is working in conjunction with a Japanese Agent located at Rincónada de San Diego, Mexico City. The American Export Company is reported at the present time to be shipping gasoline, oil and kerosene to Japan in exchange for soy beans and raw silk.

The company has one boat at this time, a vessel until recently operated under a British charter, but which is now under the charter of the American Export Company. Cargoes are taken on at Mexican gulf ports as a rule. However, recently it is report the company was unable to complete a cargo of oil at Tampico, and was compelled to complete the cargo of oil from the Eastern States Refinery Company at Houston, Texas. This latter company has a contract with the Mexican Government to purchase and refine Mexican oil, and is at the present time attempting to obtain large contracts with Japan through the Japanese agent above mentioned, and if successful will charter a number of tankers for this service.

RECORDED & INDEXED

It will also be noted that A. Z. Phillips is connected with the Centralamer Company, concerning which I am furnishing you information under separate cover.

65-1168-116

FEDERAL BUREAU OF INVESTIGATION

OCT 11 1939

U. S. DEPARTMENT OF JUSTICE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 12/19/91 BY SP-1/ALC/ny

ORIGINAL FILED IN 65-1168-1

Rear Admiral Anderson

- 2 -

October 7, 1939

It is believed that this concern may be used in an effort to circumvent the neutrality laws in making shipments to belligerent countries.

I shall be glad to furnish you with any additional information coming to the attention of this Bureau from time to time.

The above facts have also been furnished to Colonel E. R. Warner McCabe, Assistant Chief of Staff, G-2, War Department, Washington, D. C., and to Honorable Adolf A. Berle, Jr., Assistant Secretary of State, Washington, D. C.

Sincerely yours,

John Edgar Hoover
Director

By SPECIAL MESSENGER

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.
October 10, 1939

EAT:TEB

Time 9:33 a. m.

MEMORANDUM FOR THE FILE

Re: WILLIAM RHODES DAVIS;
ESPIONAGE

Agent Donegan called from New York and advised that it was ascertained last night that Davis and his secretary intend to be in Washington by 2 P. M. today and may get the 11 A. M. plane in order to arrive here by that time. He advised however that all planes are being covered and he will notify me when it is definitely determined upon which plane Davis and his secretary will leave. He stated an Agent would make the trip from New York to Washington on the plane with Davis.

9:35 a. m.

I called Mr. Berle of the State Department and told him that Davis has indicated that he intends to be in Washington by 2 P. M. this afternoon and that he will get a plane out of New York or Newark which will arrive here by 2 o'clock. Mr. Berle stated that Davis and his secretary would not be received at the White House but would be directed to Mr. Berle at the State Department. Mr. Berle stated he wanted a record or witness to the conversation which will take place. He stated he thought he would have a member of the State Department present and thereafter this individual could make a memorandum of the conversation which took place. I told Mr. Berle I did not think any recording equipment could be established on such short notice. I informed Mr. Berle that as soon as it is ascertained the time Davis will arrive in Washington I will notify him.

10:30 a. m.

Agent Donegan called from New York and advised that Davis and his secretary are leaving Newark Airport at 12 o'clock noon via Eastern Airlines on Trip 151 which will arrive in Washington at 1:20 p. m. He stated that both reservations were made in the name of Werley. He stated that Agent Rice would be on this plane.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 9-29-98 BY SP-5 [signature]

RECORDED
&
INDEXED

65-1168-117
FEDERAL BUREAU OF INVESTIGATION
OCT 11 1939
U. S. DEPARTMENT OF JUSTICE

Copy destroyed

10:35 a. m.

I called Mr. Mundy, secretary to Mr. Berle, and requested that he inform Mr. Berle that Davis is leaving Newark via Eastern Airlines at 12 o'clock and is expected to arrive in Washington at 1:20 p. m. I told him Davis is accompanied by his secretary.



E. A. TAMM

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 10, 1939

EAT:LCJ

8:25 P.M.

MEMORANDUM FOR THE FILE

RE: WILLIAM RHODES DAVIS;
ESPIONAGE

9 While in telephonic communication with Special Agent in Charge Foxworth at New York, Mr. Foxworth advised that they have not yet been successful in placing a tap on the telephone at the Davis home. He stated that it is very difficult to do, because of the fact that the home is situated in a neighborhood of hundred-thousand-dollar homes. He stated that an agent is now out there, trying to find a location in which a tap might be placed.

E. A. Tamm

RECORDED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/29/98 BY SP-1/2/98

65-1168-118
FEDERAL BUREAU OF INVESTIGATION
OCT 12 1939
U. S. DEPARTMENT OF JUSTICE

Philadelphia

Pennsylvania

October 9, 1939.

Special Agent in Charge,
WASHINGTON, D. C.

RE: WALTER A. JONES -
Information Concerning.

65-1168
FEDERAL BUREAU OF INVESTIGATION
OCT 10 1939
U.S. DEPARTMENT OF JUSTICE
TWO

Dear Sir:

Please be advised that during the week of September 25, 1939, Confidential Informant "A", of the Philadelphia Field Division, was contacted on several occasions by Special Agent R. A. MUNLEY, of this office. For your information, it is stated that Confidential Informant "A" unexpectedly resigned his position, and because of this fact, arrangements to obtain further information concerning the Pennsylvania Turnpike Commission scandal were delayed. Informant, from all indications, may join the Republican Party investigative staff, preparing for the 1940 National election campaign.

He states that JONES has always been closely associated with Senator GUFFEY and that JONES has held only one other political position - that as head of the Pennsylvania branch of the Good Neighbor Society, a New Deal propaganda organization which was formed by STANLEY HUGH, a former member of the Brain Trust. He said that JONES has always been an oil promotion man and closely associated with BENEDUM TREES CORPORATION, Pittsburgh, Pennsylvania, and DAVIS AND COMPANY, New York City. JONES also has been closely associated with Mrs. EMMA GUFFEY MILLER, sister of Senator JOSEPH GUFFEY, who is considered the "old grey mare" of Democratic politics in Pennsylvania. He said that Senator JOSEPH GUFFEY has financial interests in the Gulf Oil Company. The informant pointed out that in view of the fact that Senator JOSEPH GUFFEY and JONES have always been interested in oil promotion, that is the reason why such individuals as EINE BENEDUM, head of the Benedum Trees Corporation, and WILLIAM R. DAVIS, of DAVIS AND COMPANY, New York City, are so closely associated in politics with Senator GUFFEY and other Democratic leaders of both the State of Pennsylvania and the country at large.

In connection with the Pennsylvania Turnpike Commission, Confidential Informant advised that he would arrange to have another

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 4/29/88 BY SP7/CLM/mh

SAC, Washington, D. C.,
October 9, 1939,
Page Two.

individual furnish the complete information concerning this matter, but stated that \$50,000,000 was allotted to this commission for the purpose of construction of the All-weather Highway between Pittsburgh and Philadelphia, and that half of this sum was received from the Federal Government, either through the Reconstruction Finance Corporation or some other governmental agency, and that it will be necessary to spend another \$100,000,000 to complete this highway. The work on the highway was let to contractors in piecemeal fashion, consequently placing several contractors on this project at one time, and these contractors are alleged to have turned over money to high individuals associated with the Democratic State Committee, who, in turn, turned this money over to one individual for the use of the Democratic Party in the State of Pennsylvania and also for the purpose of National campaigns. Confidential Informant "A" advised the individual he would produce to furnish the detailed information in this case would be able to furnish the names of individuals and other data, which will possibly be of interest in this matter.

It is believed the individual who is to furnish the information concerning the Pennsylvania Turnpike Commission is an investigator and leader in the Republican ranks in Pennsylvania, who is possibly preparing material for the 1940 campaign. Confidential Informant "A" would not divulge the name of this individual, stating that he would rather wait until he is interviewed by Agent MUNLEY. It is believed contact will be made with this individual during the week of October 2, 1939, and complete information will be obtained and furnished to your office.

This individual was not interviewed on Thursday, September 28, 1939, as you were previously advised he would be, because he was engaged on another matter.

Very truly yours,

H. B. FLETCHER,
Special Agent in Charge

PAM:RC

62-1406

cc Bureau

New York

Pittsburgh

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

October 11, 1939

HA

9:45 A. M.

MEMORANDUM FOR MR. TAMM

Re: William Rhodes Davis
Espionage

Assistant Secretary of State Berle asked that the following information be given you:

The State Department received a cablegram from the Embassy in Mexico City dated October 10 indicating the Minister of Finance of Mexico had advised them "Davis has returned to Mexico City." The State Department knows this is in error but presumes Mexican officials are expecting Davis to return there.

The State Department also understands Davis has been negotiating to sell another couple of hundred thousand kilos of Mexican oil to Italy in a barter deal for rayon. Italy presently has a contract for 3,600,000 kilos of Mexican oil and apparently they are bickering to increase this, the oil perhaps ultimately being intended for Germany.

Respectfully,

H. Albaugh

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DATE 9/29/98 BY SP7CJ/CL/HJR

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&
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65-1168-119
FEDERAL BUREAU OF INVESTIGATION
OCT 11 1939
U. S. DEPARTMENT OF JUSTICE
TAMM
TW

JOHN EDGAR HOOVER
DIRECTOR

Federal Bureau of Investigation
United States Department of Justice
Washington, D. C.

AR:DM

October 10, 1939

MEMORANDUM FOR MR. E. A. TAMM

Re: W. R. Davis

While talking to Agent Donegan at the New York office he advised that arrangements have been made to cover the Eastern Airlines Ticket Office, Vanderbilt Avenue, to cover the Airport and also surveil him until he leaves New York, at which time an Agent will get on the same plane that he does.

Donegan referred to an article that appeared in the New York Times this morning bearing dateline Port Washington, Long Island October 9th. The article is entitled "W. R. DAVIS DENIES REICH OIL PROJECT". A copy of this article is being obtained.

Respectfully,

A. Rosen

A. ROSEN

DE-INDEXED
DATE: 4-14-55
30

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&
INDEXED

ALL INFORMATION CONTAINED

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DATE 4/29/98 BY SP7 a/c/c/TM

65-1165-120
FEDERAL BUREAU OF INVESTIGATION
OCT 11 1939
U. S. DEPARTMENT OF JUSTICE
TAMM